



PRESS RELEASE

Board of Directors meeting today

IMMSI GROUP APPROVES 2007 DRAFT FINANCIAL STATEMENTS

- **NET SALES €1,846.5 MLN (+8.1% YoY)**
- **EBITDA €220.4 MLN, 11.9% OF NET SALES (+21.9% YoY)**
 - **EBIT €126.2 MLN (+46.7% YoY)**
- **NET PROFIT €32.7 MLN FROM €65.6 MLN IN 2006**
(2006 earnings included €59.5 mln of capital gains from the Piaggio IPO on the MTA)
- **NET DEBT €428.2 MLN**
(€414.3 MLN at 31.12.06)

PARENT COMPANY IMMSI S.P.A.:

- **NET PROFIT €11.6 MLN**
- **PROPOSED DIVIDEND 0.03 EURO PER SHARE**

BUY-BACK FOR MAX 10% OF CAPITAL TO BE PROPOSED TO SHAREHOLDERS

Milan, 27 March 2008 – At a meeting today in Milan chaired by Roberto Colaninno, the IMMSI S.p.A. Board of Directors examined and approved the 2007 draft financial statements, to be presented to the Shareholders' Meeting convened for 28 April and 13 May on first and second call respectively.

During 2007 the Immsi Group continued to consolidate and expand the core businesses in which its companies operate; specifically:

- in the industrial sector, the Piaggio group gave new impetus to implementing its business growth strategies on its domestic market, Europe, in America and, above all, in Asia, with growth in all lines of business (scooters, motorcycles and commercial vehicles), enhancement of all group brands, the launch of new scooters and motorcycles, a constant focus on technological innovation through production of new engines with low emissions and fuel consumption; it also laid the bases for a decisive new phase of growth in its international industrial and commercial operations, particularly on Asian markets;
- in the shipbuilding business, the Rodriquez Cantieri Navali group (RCN) achieved significant increases in production volumes thanks to the marketing drive to win new orders, especially in the military and mega yachts sectors, and to improved management of work on existing orders; it also concluded its productions with insufficient margins, thus completing the group industrial turnaround;
- in the property sector, operations focused on finalising and obtaining official approvals for the 'Is Molas Golf Resort' development project for a tourist and sports complex, with contributions from distinguished international professionals such as architect Massimiliano Fuksas for the residential buildings and Gary Player for the restyling of the golf course. Work also began on a new project for the redevelopment of the Rodriquez shipyard in Pietra Ligure to create a medium-scale tourist port, a

yacht building and maintenance yard, residences and a hotel, as well as areas and services for the local community.

During the year, the Immsi holding provided the subsidiaries with financial and managerial assistance and supported development of their respective business plans. It also raised its investments in Piaggio and Rodriguez from 55.8% at the end of 2006 to 56.4% at the end of 2007 and from 60.8% to 63.2% respectively.

In response to the changes in the international economic and financial scenario, particular attention was given to maintaining group and holding debt at levels that, without abandoning use of the financial lever, would permit continued support for the subsidiaries' industrial initiatives and allow Immsi to take advantage of new investment opportunities in order to expand its operations portfolio, consistently with its mission as an industrial holding assumed at the beginning of 2003.

Business and financial highlights

The Immsi Group reported significant improvements in business results for financial year 2007 compared with 2006.

Immsi Group **consolidated net sales** totalled € 1,846.5 million in 2007, an increase of 8.1% on 2006; the main contributions were from the Piaggio group for € 1,692.1 million (+ 5.3% YoY) and the Rodriguez Cantieri Navali group for € 148.7 million (+ 55% YoY).

The Piaggio group closed the year with growth in all lines of business. Worldwide it sold a total of 708,500 vehicles in 2007, an improvement of 4.1% over 680,700 vehicles in 2006. Net of revenues from spares and accessories, the two-wheeler business reported higher turnover in both the scooter sector (€ 854.1 million, + 2.4% on 2006) and above all the motorcycle sector (€ 277.9 million, +6.5% on 2006); turnover for commercial vehicles was € 343.8 million (+7% on 2006), of which € 223.9 million on the Indian market (+ 15.4% YoY). Revenues from spares and accessories amounted to € 195.2 million (+ 10.7% YoY)..

The Rodriguez Cantieri Navali Group reported revenues of € 148.7 million, up 55% over € 95.9 million in 2006, thanks to completion of previous orders and progress on new orders in the three sectors in which the Group operates (Fast Ferries, Military, Yachts), specifically: three 53m minesweepers to the Finnish Navy (Military), four 40m mega yachts designed by Norman Foster for Yacht Plus (Yachts), five 52m catamarans for the Sultanate of Oman (Fast Ferries) to be delivered in 2008.

The shipbuilding group's order book stood at more than € 410 million at the end of 2007.

EBITDA amounted to € 220.4 million, rising 21.9% from € 180.8 million in 2006. The EBITDA margin also rose, from 10.6% to 11.9%. Piaggio EBITDA was € 226.1 million, while RCN as expected closed with a substantial operating breakeven (€ -1.3 million), compared with negative EBITDA of € 16.2 million in 2006.

After depreciation and amortisation for € 94.2 million, 2007 **EBIT** was € 126.2 million (6.8% of net sales), compared with € 86 million in 2006 (5% of net sales).

Financial operations generated a negative **net balance** of € 34.7 million in 2007.

Profit before tax for the year to 31 December 2007 was € 91.5 million, from € 192 million for the year to 31 December 2006. The 2006 result benefited from extraordinary capital gains of € 136.1 million arising on the Piaggio IPO on the Mercato Telematico Azionario electronic market. Excluding this income item, profit before tax showed a YoY increase of 63.6%, from € 55.9 million in 2006 (3.3% of net sales) to € 91.5 million in 2007 (5% of net sales).

After tax of € 35 million and minority interests of € 23.8 million, **net profit for the year** attributable to the Group was € 32.7 million, compared with € 65.6 million for the year to 31 December 2006, which benefited from the income item described above. Excluding this income (€ 59.5 million), the Group would have posted a net profit for 2006 of € 6.1 million.

Group **net debt** at 31 December 2007 totalled € 428.2 million, an increase of € 13.9 million from € 414.3 million at 31 December 2006, due largely to Piaggio share buy-backs for € 26.8 million and the acquisition from the State Property Office of part of the area for the Pietra Ligure development project for € 19.1 million.

Shareholders' equity at 31 December 2007, including € 262.2 million of minority interests, was € 666.8 million, up from € 645.6 million at 31 December 2006.

Significant events after 31 December 2007

During the first three months of 2008, the parent company purchased 5,359,909 Piaggio & C. S.p.A. shares on the market, for an overall € 10.3 million, raising its equity investment from 56.4% to 57.8%; the purchases were financed in part by the sale of 1.5 million Unicredit shares for proceeds totalling € 8 million.

On 19 February 2008, the Is Molas subsidiary received authorisation from the Sardinia Regional Authority to begin residential development; authorisation for development of the golf course is pending.

In January 2008, the Piaggio Group illustrated its strategic guidelines for expansion in Asia, in particular an industrial cooperation agreement with Daihatsu for the supply of 1,300cc petrol engines in the current Porter range, and components and assemblies for the new vehicles in the Porter and Quargo ranges equipped with the new diesel and turbodiesel engines to be manufactured in India by the PVPL subsidiary. The Indian subsidiary also signed an 8-year industrial cooperation agreement with Greaves, for the supply, at constant prices, of monocylinder diesel engines which, as from 2010, will be compliant with India's Bharat III emissions laws.

Outlook for 2008

In the industrial sector, the Piaggio group will target continuous improvement of competitiveness in all lines of business and markets.

Quality, product cost and productivity will be the drivers for 2008, with management taking action to boost three/four-wheel commercial vehicle sales in India and re-launch the three/four-wheel commercial vehicle business in Europe with the formation of the Commercial Vehicles Division. Other priorities will be the re-launch of Moto Guzzi and consolidation of the scooter sector in Europe and America.

With the completion of the Aprilia motorcycle range, the group intends to improve its positioning in this segment and simultaneously build its international market presence.

During 2008 the Piaggio group will focus on future growth and new investments, in particular development of hybrid engines and construction of facilities in Vietnam and India.

In the shipbuilding sector, production work on current contracts scheduled for 2008 indicates further growth in net sales; combined with the improvement in overall profitability, this will enable the group to reach breakeven. Growth is also expected in the order book, in view of the negotiations underway for the acquisition of new orders.

IMMSI S.p.A.

The parent company reported a **net profit** of € 11.6 million for 2007, compared with € 28 million in 2006.

Net profit for 2006 included net income of € 30.7 million for the share dividend collected by Immsi after the Piaggio & C. S.p.A. IPO on the Mercato Telematico Azionario electronic market; excluding this income item, the company would have reported a net loss of € 2.7 million for 2006.

With reference to 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 million. Coupon tear-off will be on 26 May 2008, with payment from 29 May 2007.

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The Board of Directors also decided to ask the Shareholders' Meeting to authorise an **own-share buy-back and disposal plan**.

The own-share purchase and sale transactions contemplated by the authorisation to be requested at the Shareholders' Meeting may have the following objectives: (i) to proceed with own-share buy-backs and/or sales for investment purposes and to stabilise the share price and liquidity on the stock exchange; or (ii) to permit use of own shares in connection with transactions relating to current operations or projects consistent with company strategy.

Authorisation will be requested for the buy-back, in one or more transactions, of ordinary shares with a par value of € 0.52 each, for a maximum amount such that, including ordinary shares in portfolio held from time to time by the parent company and its subsidiaries, the total number of own shares does not exceed the limit of 10% of share capital pursuant to art. 2357, par 3, Italian Civil Code.

The buy-back authorisation will be requested for a period of eighteen months, as from the date of the shareholder resolution. Authorisation to dispose of own shares will be requested without any time limits.

Buy-backs may not begin before 26 May 2008 (dividend coupon tear-off date) with the graduality deemed to be in the interests of the company.

The Board of Directors proposes to effect the buy-backs for a consideration that is not more than 10% above or below the average Immsi official share price in the ten stock market days before each purchase transaction or, in the event that the buy-backs are made through a public tender offer or public exchange offer, for a consideration that is not more than 10% above or below the average Immsi official share price on the stock market day preceding the day of publication of the offer.

The Board of Directors proposes that the share buy-backs be effected in compliance with art. 144-*bis*, par 1, lett. a), b) and d) of Consob Regulation 11971/99 (and subsequent amendments) and with any applicable dispositions, so as to ensure equality of treatment of shareholders pursuant to art. 132 of the Consolidated Law on Financial Intermediation.

The Board of Directors also proposes to authorise the use at any time, in full or in part, of any own shares, through the sale of such shares or the sale of any real and/or personal rights relating to such shares.

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The Board of Directors approved the appointments of Michele Colaninno as Chief Operating Officer of Immsi S.p.A..

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The manager in charge of preparing the company accounts and documents, Andrea Paroli, certifies, pursuant to paragraph 2, art. 154 bis of Legislative Decree no. 58/1998 (Consolidated Law on Financial Intermediation), that the accounting disclosures in this statement correspond to the accounting documents, ledgers and entries.

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Immsi Group income statement

| | <i>FY 2007</i> | <i>FY 2006</i> |
|---|----------------|----------------|
| <i>Net sales</i> | 1,846,472 | 1,708,777 |
| <i>Cost of materials</i> | 1,088,605 | 980,388 |
| - vs related parties | 51,202 | 35,572 |
| <i>Cost of services and use of third-party assets</i> | 371,290 | 381,845 |
| - vs related parties | 612 | 2,628 |
| - for non-recurring transactions | 0 | 10,276 |
| <i>Employee expenses</i> | 263,646 | 259,133 |
| <i>Depreciation tangible assets</i> | 43,890 | 44,626 |
| <i>Goodwill amortisation</i> | 0 | 0 |
| <i>Amortisation intangible assets with finite life</i> | 50,301 | 50,187 |
| <i>Other operating income</i> | 139,586 | 138,896 |
| - vs related parties | 4,274 | 1,678 |
| <i>Other operating expense</i> | 42,138 | 45,541 |
| <i>EBIT</i> | 126,188 | 85,953 |
| <i>Share of result of associates</i> | 79 | (17) |
| <i>Finance income</i> | 27,214 | 156,955 |
| <i>Finance expense</i> | 62,030 | 50,906 |
| <i>PROFIT BEFORE TAX</i> | 91,451 | 191,985 |
| <i>Income tax expense</i> | 34,963 | 24,425 |
| <i>NET RESULT FROM ON-GOING OPERATIONS</i> | 56,488 | 167,560 |
| <i>Profit (loss) from discontinued operations</i> | 0 | 0 |
| <i>NET PROFIT FOR THE PERIOD INCLUDING MINORITY INTERESTS</i> | 56,488 | 167,560 |
| <i>Net profit attributable to minority interests</i> | 23,772 | 101,997 |
| <i>NET PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE GROUP</i> | 32,716 | 65,563 |
| | | |

Immsi Group financial and equity highlights

| ASSETS | 31 Dec. 2007 | 31 Dec. 2006 |
|---|------------------|------------------|
| NON-CURRENT ASSETS | | |
| <i>Intangible assets</i> | 813,091 | 802,112 |
| <i>Property, plant and equipment</i> | 308,426 | 318,135 |
| - vs related parties | 92 | 113 |
| <i>Investment property</i> | 0 | 0 |
| <i>Equity investments</i> | 751 | 787 |
| <i>Other financial assets</i> | 743 | 81,057 |
| - vs related parties | 58 | 63 |
| <i>Tax receivables</i> | 12,509 | 8,113 |
| <i>Deferred tax assets</i> | 47,525 | 54,175 |
| <i>Trade and other receivables</i> | 14,001 | 8,329 |
| - vs related parties | 830 | 363 |
| TOTAL NON-CURRENT ASSETS | 1,197,046 | 1,272,708 |
| ASSETS HELD FOR SALE | 21,054 | 306 |
| CURRENT ASSETS | | |
| <i>Trade and other receivables</i> | 215,380 | 216,856 |
| - vs related parties | 4.153 | 5.049 |
| <i>Tax receivables</i> | 25,076 | 39,638 |
| <i>Inventories</i> | 291,647 | 294,933 |
| <i>Contract work in progress</i> | 18,272 | 13,823 |
| <i>Other financial assets</i> | 84,403 | 12,594 |
| <i>Cash and cash equivalents</i> | 134,673 | 101,941 |
| TOTAL CURRENT ASSETS | 769,451 | 679,785 |
| TOTAL ASSETS | 1,987,551 | 1,952,799 |
| | | |
| LIABILITIES | 31 Dec. 2007 | 31 Dec. 2006 |
| SHAREHOLDERS' EQUITY | | |
| <i>Group consolidated shareholders' equity</i> | 404,592 | 401,819 |
| <i>Capital and reserves attributable to minorities</i> | 262,175 | 243,784 |
| TOTAL SHAREHOLDERS' EQUITY | 666,767 | 645,603 |
| NON-CURRENT LIABILITIES | | |
| <i>Financial liabilities</i> | 384,316 | 409,827 |
| <i>Trade and other payables</i> | 21,436 | 18,608 |
| <i>Provisions for severance liabilities and similar obligations</i> | 67,288 | 84,201 |
| <i>Other non-current provisions</i> | 28,440 | 30,224 |
| <i>Deferred tax liabilities</i> | 51,142 | 52,739 |
| TOTAL NON-CURRENT LIABILITIES | 552,622 | 595,599 |
| LIABILITIES RELATING TO ASSETS HELD FOR SALE | 0 | 0 |
| CURRENT LIABILITIES | | |
| <i>Financial liabilities</i> | 198,316 | 120,039 |
| <i>Trade payables</i> | 447,702 | 466,342 |
| - vs related parties | 6.089 | 10.756 |
| <i>Income tax liabilities</i> | 11,926 | 16,920 |
| <i>Other payables</i> | 84,061 | 82,408 |
| - vs related parties | 180 | 9.435 |
| <i>Current portion of other non-current provisions</i> | 26,157 | 25,888 |
| TOTAL CURRENT LIABILITIES | 768,162 | 711,597 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 1,987,551 | 1,952,799 |

Immsi S.p.A. reclassified income statement

| IS | | FY 2007 | FY 2006 |
|---|--|-------------------|-------------------|
| Finance income | | 14,421,335 | 41,503,832 |
| - of which related parties and intragroup | | 7,349,275 | 38,606,312 |
| Finance expense | | (4,058,299) | (5,911,118) |
| - of which related parties and intragroup | | (32,813) | (30,801) |
| Results of associates | | 0 | 0 |
| Operating income | | 4,254,653 | 6,304,532 |
| - of which related parties and intragroup | | 1,812,306 | 4,289,147 |
| Cost of materials | | (60,428) | (98,346) |
| Cost of services and use of third-party assets | | (3,638,256) | (5,011,455) |
| - of which related parties and intragroup | | (418,293) | (1,589,432) |
| Employee expenses | | (1,403,062) | (1,762,009) |
| Depreciation property, plant and equipment | | (366,866) | (421,057) |
| Goodwill amortisation | | 0 | 0 |
| Amortisation intangible assets with finite life | | (187) | (28,708) |
| Other operating income | | 636,776 | 740,591 |
| - of which related parties and intragroup | | 93,630 | 60,333 |
| Other operating expense | | (338,387) | (697,275) |
| - of which related parties and intragroup | | (14,354) | 0 |
| PROFIT BEFORE TAX | | 9,447,279 | 34,618,988 |
| Income tax expense | | 2,103,290 | (6,647,306) |
| - of which related parties and intragroup | | 183,782 | 0 |
| NET RESULT FROM ON-GOING OPERATIONS | | 11,550,569 | 27,971,682 |
| Profit (loss) from discontinued operations | | 0 | 0 |
| NET PROFIT FOR THE PERIOD | | 11,550,569 | 27,971,682 |
| | | | |

Immsi S.p.A. financial and equity highlights

| ASSETS | | 31/12/2007 | 31/12/2006 |
|--|--|--------------------|--------------------|
| NON-CURRENT ASSETS | | | |
| Intangible assets | | 0 | 187 |
| Property, plant and equipment | | 11,631,058 | 11,598,877 |
| - of which related parties and intragroup | | 91,810 | 112,875 |
| Investment property | | 0 | 0 |
| Equity investments | | 366,752,717 | 340,801,249 |
| Other financial assets | | 12,000,000 | 91,865,117 |
| - of which related parties and intragroup | | 12,000,000 | 12,000,000 |
| Tax receivables | | 4,315,360 | 0 |
| Deferred tax assets | | 0 | 0 |
| Trade and other receivables | | 1,384,774 | 684,157 |
| - of which related parties and intragroup | | 1,380,937 | 678,677 |
| TOTAL NON-CURRENT ASSETS | | 396,083,909 | 444,949,587 |
| ASSETS HELD FOR SALE | | 0 | 0 |
| CURRENT ASSETS | | | |
| Trade and other receivables | | 1,314,264 | 1,107,841 |
| - of which related parties and intragroup | | 1,154,394 | 675,608 |
| Tax receivables | | 216,305 | 97,256 |
| Other financial assets | | 79,881,794 | 1,100,278 |
| - of which related parties and intragroup | | 14,701,278 | 1,100,278 |
| Cash and cash equivalents | | 8,219,899 | 4,443,689 |
| TOTAL CURRENT ASSETS | | 89,632,262 | 6,749,064 |
| TOTAL ASSETS | | 485,716,171 | 451,698,651 |
| | | | |
| LIABILITIES | | 31/12/2007 | 31/12/2006 |
| SHAREHOLDERS' EQUITY | | | |
| Share capital | | 178,464,000 | 178,464,000 |
| Reserves and retained earnings | | 176,721,015 | 169,695,772 |
| Net profit for the period | | 11,550,569 | 27,971,682 |
| TOTAL SHAREHOLDERS' EQUITY | | 366,735,584 | 376,131,454 |
| NON-CURRENT LIABILITIES | | | |
| Financial liabilities | | 45,862,758 | 45,814,288 |
| Trade and other payables | | 0 | 0 |
| Provisions for severance liabilities and similar obligations | | 158,278 | 188,209 |
| Other non-current provisions | | 0 | 0 |
| Deferred tax liabilities | | 5,574,184 | 12,470,429 |
| TOTAL NON-CURRENT LIABILITIES | | 51,595,220 | 58,472,926 |
| LIABILITIES RELATED TO ASSETS HELD FOR SALE | | 0 | 0 |
| CURRENT LIABILITIES | | | |
| Financial liabilities | | 62,698,000 | 4,607,719 |
| - of which related parties and intragroup | | 540,000 | 720,000 |
| Trade payables | | 1,059,018 | 1,725,982 |
| - of which related parties and intragroup | | 238,191 | 527,424 |
| Income tax liabilities | | 310,079 | 388,400 |
| Other | | 3,197,812 | 10,251,713 |
| - of which related parties and intragroup | | 2,324,678 | 9,279,028 |
| Current portion of other non-current provisions | | 120,458 | 120,458 |
| TOTAL CURRENT LIABILITIES | | 67,385,367 | 17,094,271 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | 485,716,171 | 451,698,651 |