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 number 07918540019

Half-yearly Financial Report of Immsi Group at 30 June 2009

Index:

COMPANY BOARDS

The Board of Directors and the Board of Statutory Auditors of Immsi S.p.A. were appointed by a shareholder resolution on 29 April 2009 and their term in office expires on the date of the Shareholders' Meeting called to approve the financial statements for the year ending at 31 December 2011.

BOARD OF DIRECTORS

Roberto Colaninno (1) - (2)	***Chairman***
Carlo d'Urso	***Deputy Chairman***
Luciano La Noce (1)	***Managing Director***
Matteo Colaninno	***Director***
Michele Colaninno	***Director***
Mauro Gambaro	***Director***
Giorgio Cirla	***Director***
Enrico Maria Fagioli Marzocchi	***Director***
Giovanni Sala	***Director***

BOARD OF STATUTORY AUDITORS

Alessandro Lai	***Chairman***
Giovannimaria Seccamani Mazzoli	***Standing Auditor***
Leonardo Losi	***Standing Auditor***
Gianmarco Losi	***Substitute Auditor***
Mariapaola Losi	***Substitute Auditor***

INDEPENDENT AUDITORS

Deloitte & Touche S.p.A.	***2006 - 2011***

GENERALE MANAGER

Michele Colaninno

(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 first following meeting.

In accordance with the principles of Corporate Governance recommended by the Self-Regulatory Code of Conduct for Listed Companies, as well as in accordance with Ital.Legisl.Decree 231/01, the Board of Directors has established the following organs:

LEAD INDEPENDENT DIRECTOR

Mauro Gambaro

REMUNERATION COMMITTEE

Carlo d'Urso	***Chairman***
Mauro Gambaro	
Giorgio Cirla	

INTERNAL AUDIT COMMITTEE

Giovanni Sala	***Chairman***
Mauro Gambaro	
Giorgio Cirla	

DIRECTOR APPOINTED

Luciano La Noce

PERSON IN CHARGE OF THE INTERNAL AUDIT

Maurizio Strozzi

SUPERVISORY BOARD

Marco Reboa	***Chairman***
Alessandro Lai	
Maurizio Strozzi	

MANAGER IN CHARGE OF PREPARING THE COMPANY ACCOUNTS AND DOCUMENTS

Andrea Paroli

INVESTOR RELATOR

Andrea Paroli

Interim management report of the Immsi Group

The Half-yearly Financial Report for the six months ended at 30 June 2009 (hereinafter called "Half-yearly Report") has been prepared in accordance with Legislative Decree 58/1998, as amended, and the Issuer Regulations issued by Consob.
This Half-yearly Report also conforms with the requirements of the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") adopted by the European Union and has been prepared in accordance with IAS 34 – *Interim Financial Reporting.* The accounting principles applied are consistent with those used for preparation of the Consolidated Financial Statements at 31 December 2008, except as otherwise stated under "Accounting principles, amendments and interpretations adopted from 1 January 2009" in the Exlanatory Notes to the Interim Consolidated Financial Statements.

Information on operations

In the first six months of 2009 the Immsi Group has net revenues and operational results down on the corresponding period of the preceding year.
The above results present differing trends as regards the various sectors that make up the Group as a consequence of the different business dynamics that characterized the period in question and due to the different seasonal impact.

The **Parent company Immsi S.p.A.** shows a positive net result for the period equal to 11.6 million euros compared to a profit of 18.5 million euros at 30 June 2008 mainly due to the lower positive financial items of income. In particular, the total dividends collected by the subsidiary Piaggio & C. S.p.A. amount to 12.7 million euros at 30 June 2009 (13.5 million in 2008) as a consequence of a decrease in the number of shares held (from 225.3 million at the end of May 2008, the dividend payment date, to 212.2 million at the time of payment at the end of May 2009) with the coupon unchanged (€0.06 per share). In addition, the net result of the first half of 2009 is influenced by the decision of Unicredit not to assign cash dividends to its shareholders but to attribute newly issued Unicredit shares (so-called "scrip dividend") from a free share capital increase with the assignment of 29 new ordinary shares for every 159 ordinary shares held. The dividends in kind therefore attributed to Immsi (equal to over 1.8 million shares), in accordance with the accounting standards, have not resulted in recording any proceeds to the income statement (on the contrary equal to 2.6 million euros in the first half of 2008), but only to registration in the portfolio of the aforesaid shares of new issue. The number of Unicredit shares held by the Parent Company at 30 June 2009 therefore amounts to approximately 11.8 million with an average book value passing from approximately €1.43 each to €1.21.
Among the other financial income components there are gross capital gains equal to 1.2 million euros recorded during the month of January 2009 on the sale of a total of 7.8 million shares of Piaggio & C. S.p.A. for a cash-in of 9.2 million euros (in the first half of 2008 there were capital gains of 5.9 million euros on the sale of 1.5 million Unicredit shares).
The net financial debt at 30 June 2009 is 84.5 million euros with a slight improvement (0.3 million euros) compared to 31 December 2008. Among the cash-outs there is mainly the conclusion of the purchase operation in the company Compagnia Aerea Italiana (CAI) with the payment of the remaining share of the undersigned investment, equal to 24.4 million euros, which took place in the month of January 2009. This flow is compensated for by the positive balance from operations on shares of Piaggio & C. S.p.A. for 17.4 million euros (including, besides the purchase of 2,541,900 shares for a value of approximately 2.6 million euros and the sale of 7.8 million shares for a value of 9.2 million euros in the first half of 2009, the credit collected in early 2009 related to the sale of 9.2 million shares of Piaggio & C. S.p.A. sold on 30 December 2008 for a total amount equal to 10.9 million euros) and by the collection of dividends from Piaggio & C. S.p.A.) for 12.7 million euros. The net cash flow from management has produced further cash absorption equal to 5.3 million euros.

It should besides be noted, as proposed by the Board of Directors of 24 March 2009 and approved by the Ordinary Shareholders' Meeting of 29 April 2009, that the Parent Company distributed no dividends during the first half of 2009, in order to further strengthen its assets, also in light of the duration and the implications of the crisis of the international markets. During the first half of 2008, Immsi S.p.A. had distributed dividends (related to the distribution of the profit for the year 2007, as deliberated by the meeting of 13 May 2008) equal to 0.03 euros for common stock for a total of 10,296 thousand euros.
Lastly, it should be remembered that within the framework of the project for integrating and relaunching the business of Alitalia, during 2008 a commitment was made to take a stake in Compagnia Aerea Italiana (CAI) equal to 100 million euros, of which 55.6 million paid up within 31 December 2008. Within the framework of the same operation again during 2008 an agreement was made with Fire S.p.A. for the sale of some of the undersigned shares, that basically reduced the overall commitment in the investment to 80 million euros. The shareholding in CAI after the conclusion of the operation in January is equal to 7.08% of the issued share capital.

With reference to the subsidiary **Is Molas S.p.A.** and the project **Pietra Ligure**, the first half of the year 2009 saw the continuation of the professional activities aimed at completing the bureaucratic affairs, without any substantial development in relation to the situation found at 31 December 2008.
With reference to the subsidiary Is Molas S.p.A., in the first half of the year 2009 the company was occupied with the applications for the authorizations from the competent Superintendence of Architectural and Landscape Heritage ("*Soprintendenza Beni Architettonici e Paesaggio*") and the competent Office of the Engineers Corps, as required by the procedures related to the dossiers of building permits presented to the Municipality of Pula related to a first lot of villas, the club house and a first excerpt of the works of urbanization.
With reference to the Pietra Ligure project, during the first half of 2009 meetings continued with operators who showed a possible interest in the operation.

Concerning the subsidiary **Apuliae S.p.A.**, the suspension of the work of renovation begun in March 2005 continues following investigations by the legal authorities. It should nevertheless be noted that the sentence of the shortened proceedings is expected by the end of the year while the ordinary one concluded with a complete acquittal for all the defendants and irrevocability of the sentence as no appeal was made by the Public Prosecutor.

Regarding the **industrial sector**, the Piaggio group, during the second quarter of 2009 recorded a significant improvement in the results of the operational management compared to the first quarter of the current year, thanks to the competitiveness of its offer and the strong recovery on the Asian markets.
The net revenues are confirmed at 795.6 million euros (-11.6% compared to the same period in 2008). As regards the Two-Wheeled business, this performance was accomplished in the context of a particularly difficult market in the main areas of reference of the group. Demand has indeed decreased compared to the first half of the preceding year both in Italy (-6.9%) and in Europe (-17%) as well as in the United States (-44% globally, and -71% in the scooter subsegment).
As regards the Commercial Vehicle business, in India the market has started to grow again and an increase of 4% has been recorded in the segments of reference.
The above-mentioned downturn in sales is due not only to the decrease in sales of the Two-Wheeled sector, but also the reduction in the BMW five-year order (-5.1 million euros compared to the same period of last year) as well as the revaluation of the euro against the Indian rupee and Pound sterling, with a negative impact on sales of around 3.8 million euros compared to the corresponding period of 2008.

The operating result before depreciation and amortisation (EBITDA) is equal to 107.5 million euros, 13.5% of net revenues, down from the 128.2 million euros, equal to 14.2% of net revenues at 30 June 2008.

The operating result (EBIT) is also down, passing from 81.8 million euros to 61.6 million, with amortizations for 45.9 million, a decrease of 0.4 million compared the first half of 2008.

The earnings before taxation is equal to 45.1 million euros (-29.3% compared to the same period of 2008) while the net profit amounts to 25.7 million euros (-45.6% compared to the same period of 2008) after having discounted taxes for 19.4 million euros (16.6 million in the first half of 2008), on the basis of the average expected tax rate for the entire financial year.

The net financial debt passes from 359.7 million euros at 31 December 2008 to 348.9 million euros at 30 June 2009. The improvement of 10.8 million euros was accomplished notwithstanding the effect of the seasonality of the Two-Wheeled business that, as is known, absorbs resources in the first part of the year and generates them in the second half. The revenue flow, or the net earnings plus amortizations, is equal to 71.6 million euros. The positive effect of this flow, increased by the decrease in working capital, passing from a negative value of 3.7 million euros at 31 December 2008 to a negative value of 10.6 million euros at 30 June 2009, has partly been absorbed by investments for 46.1 million euros, dividends paid out for 22.1 million euros and the purchase of treasury stock for 1 million euros.

As regards the **naval sector**, where Immsi operates through the group controlled by Rodriquez Cantieri Navali S.p.A., the first half of 2009 recorded a decrease in net revenues compared to the preceding year of 11.4% reaching 64.8 million euros. The decrease is mainly due to the parent company Rodriquez and to the subsidiary Conam and in addition it suffers from delays in the progress of production in the yard of Sarzana, following the flood of the river Magra in the month of January 2009.
The production has moreover been characterized, particularly in the Fast Ferries and Mega Yacht sectors, by altogether still insufficient marginality to absorb the direct costs of production and those of the fixed structures; the marginality, especially for the Oman order of the Fast Ferries Division benefits from the use of the fund set aside in the 2008 financial statements for losses to finish boats still under construction, while for the Yacht Division the Conam company shows negative marginality mainly because of the rescission of contracts with some customers.
Profitability is therefore still negative at 30 June 2009, showing a net consolidable loss equal to 4 million euro that is compared to a loss of 3.8 million in the corresponding period of the preceding year.
The net financial debt, equal to 80 million euros has decreased compared to the balance at the end of 2008, equal to 85.9 million euros, because of the positive cash generated internally equal to 4.5 million euros, the improvement in the working capital for 2.8 million euro notwithstanding the investments of the period equal to 1.4 million.

Group activities

The main income and balance sheet figures of the Immsi Group are presented below, divided by business sector and determined, as already stated, in accordance with the international accounting standards. A more detailed description of the figures below may be found later on in this document.

In thousands of euros	*Property and holding sector*	*in %*	*Industrial sector*	*in %*	*Naval sector*	*in %*	*Immsi Group*	*in %*
Net revenues	2,420		795,626		64,844		862,890	
Operating earnings before depreciation and amortisation (EBITDA)	-2,495	-103.1%	107,488	13.5%	-4,128	-6.4%	100,865	11.7%
Operating earnings (EBIT)	-2,860	-118.2%	61,576	7.7%	-5,777	-8.9%	52,939	6.1%
Earnings before taxation	-8,420	-347.9%	45,138	5.7%	-6,638	-10.2%	30,080	3.5%
Earnings for the period including minority interest	-7,936	-327.9%	25,729	3.2%	-6,369	-9.8%	11,424	1.3%
Group earnings for the period (consolidated)	-6,426	-265.5%	14,771	1.9%	-4,034	-6.2%	4,311	0.5%
Net financial position	-164,906		-348,910		-79,967		-593,783	
Personnel (number)	97		7,339		415		7,851	

The “property and holding sector” consolidates the financial items of Immsi S.p.A., Immsi Audit S.c.a.r.l., ISM Investimenti S.p.A., Is Molas S.p.A., Apuliae S.p.A., Pietra S.r.l. and RCN Finanziaria S.p.A..

The property and holding sector

With reference to the Parent Company Immsi S.p.A., it should be noted that with net revenues accomplished in the first half of the year deriving from the real-estate operations and services basically unchanged compared to the same period of 2008 (2.3 million euros in 2009 compared to 2.2 million in 2008) there is a decrease in the component of revenue of financial nature, whose net balance at 30 June 2009 amounts to 12.3 million euros positive (20 million at 30 June 2008). In particular, the positive financial components amount to a total of 15.2 million euros (of which 12.7 million for dividends received from the subsidiary Piaggio & C. S.p.A., 1.2 million for capital gains from the sale of 7.8 million shares of Piaggio & C. S.p.A. made in the month of January 2009 and for the difference interest and positive commissions mainly for loans to companies in the Group). The passive financial components amount to 2.9 million euros, mainly for interest and bank charges on the financings to the Company. As remembered among the positive financial components registered at 30 June 2008 there are capital gains for 5.9 million euros made on the sale of 1.5 million Unicredit shares and dividends collected from Unicredit for 2.6 million euros.

Through various consultancy contracts, Immsi S.p.A. makes available to the other Group companies its professional competencies, amongst which technical skills relating to the property sector so as to best enhance the opportunities associated with the property of the different companies in the area of consolidation. Overall consultancy provided by the Parent company during the first half of 2009, amounted to 0.8 million euros (basically unchanged compared to the first half of 2008).

As mentioned, the net financial position at 30 June 2009 is negative for 84.5 million euros compared to 84.8 at 31 December 2008 with a net positive change of 0.3 million, due mainly to the payment of the residual stake in the undersigned investment in the company Compagnia Aerea Italiana (CAI), equal to 24.4 million euro, that happened in the month of January 2009, compensated by the positive balance associated with the operations on shares of Piaggio & C. S.p.A. for 17.4 million euros (including - besides the purchase on the MTA – "*Electronic Share Market"* in the first six months of 2009 of 2,541,900 shares for a value of 2.6 million euros and the sale of a total of 7,800,990 shares for a collection of 9.2 million euros – of the credit collected in the early days of 2009 related to the sale of 9,200,000 shares of Piaggio & C. S.p.A. sold on 30 December 2008 for an amount equal to 10.9 million euros) and by the collection of dividends from Piaggio & C. S.p.A. for 12.7 million euros. The net cash flow from operations has produced further cash absorption equal to 5.3 million euros.

The subsidiary Is Molas S.p.A., operates in the Municipality of Pula (Cagliari) through a tourist hotel complex with significant sports structures (international level golf courses) and a major residential property development project.
In order to implement the development plan of the entire residential and tourist hotel complex as well as construction of the golf courses, the company has turned to world renowned professionals of the calibre of architect Massimiliano Fuksas, Gary Player, Golf Vacanze and Ai Engineering who have prepared a detailed project. The first half of the year 2009 the company was occupied with the applications for the authorizations from the competent Superintendence of Architectural and Landscape Heritage ("*Soprintendenza Beni Architettonici e Paesaggio*") and the competent Office of the Engineers Corps, as required by the procedures related to the dossiers of building permits presented to the Municipality of Pula related to a first lot of villas, the club house and a first excerpt of the works of urbanization.
In the month of June the European Commission opened a procedure of infringement against Italy following a statement by the Juridical Intervention Group, since, according to the latter, the Region of Sardinia would have erroneously divided the whole project submitting to Environmental Impact Evaluation ("*Valutazione Impatto Ambientale*" - V.I.A.) only the construction of the golf course and the arrangement of the Rio Tintioni. According to the European Commission, on finding even a single element of such criticitality as to require V.I.A., the entire project would anyhow be subjected to the procedure of V.I.A. On this initiative Is Molas S.p.A. and the Region of Sardinia have begun contacts with the Ministry for the Environment in order to assess the advisability of resisting the initiative. The hotel activity in the half recorded net revenues equal to 1.2 million euros substantially in line with the same period of 2008.

With reference to Apuliae S.p.A., awardee, by private bid, of a building in S. Maria di Leuca (Lecce) to be used as a tourist hotel, it is noted that the suspension of the activity of restructuring persists since March 2005 following assessments ordered by the judicial authority. It should nevertheless be noted that the sentence of the shortened proceedings is expected by the end of the year while the ordinary one concluded with a complete acquittal for all the defendants and it therefore became irrevocable on 2 May 2009, as no appeal was made by the Public Prosecutor. The sentence was postponed to 28 September 2009 as the inspection by the experts was possible only on 4 July 2009.

Overall, in the first half of 2009, the property and holding company sector, which also includes the financial activities of the Parent company Immsi S.p.A., RCN Finanziaria S.p.A., ISM Investimenti S.p.A. and Immsi Audit S.c.a.r.l. produced consolidable negative net earning equal to 6.4 million euros compared to a positive result of 2.8 million at 30 June 2008, mainly due to recording on 30

June 2008 the aforesaid positive financial components in the Parent Company that have not been repeated in 2009.

The industrial sector: Piaggio group

THE MARKET SCENARIO

Two-wheeled business

In the first half of 2009 the world market of motorized two wheelers recorded just under 20 million vehicles sold with a drop of 5% compared to the same period in 2008. The People's Republic of China is still the biggest market in the world with over 8 million vehicles sold with a growth of 8% compared to the first six months of 2008.
India is confirmed as the second largest market in the world by sales volume and, after two years, it has reversed the negative trend: with 4 million vehicles sold it has grown 10% compared to the first half of 2008.
South-east Asia suffered a significant decrease with an overall market of less than 5 million vehicles (-19% compared to the first half of 2008). Among the countries in this area Indonesia remains the main market: with approximately 49% of sales and with 2.4 million vehicles, it has dropped 22% compared to the same period of 2008. Vietnam remains the second market of the area with volumes slightly over 1 million units followed by Thailand at 716,000 units sold (-16% compared to the first half of 2008).
In the first half of 2009, the Japanese market showed a further decrease: compared to the same period of last year the drop is of 21% by volume of approximately 209,000 units.
With volumes just a little above 340,000 units registered in the first six months of 2009, North America presents a remarkable decrease compared to the first half of 2008 (-44%). The United States maintain relative weight in the area of around 90% of sales for almost 300,000 units sold.
After years of strong growth, Latin America closes the first half of 2009 with a decrease of 28% down on the same period of 2008. Brazil, the country of reference covering over 90% of the area, sold 732,000 units in the half, highlighting a drop of 30% compared to the first half of 2008.
Europe suffered the great difficulties of the world economy, recording a drop in sales of 17% compared to the first half of 2008, with -13% in the scooter business and -22% in the motorcycle business. Both over 50cc (-15%) and 50cc (-20%) segments suffered a drop. Particularly, in the over 50 segment, the scooter had less of a decrease (-6% thanks above all to the government incentives introduced in Italy) compared to the motorbike (-22%). In the 50cc sector there were negative results for both scooters (-20%) and motorbikes (-25%).

The scooter market
The Italian scooter market closed the first half of 2009 with 216,000 registrations, a reduction of 1% compared to the 217,000 of the same period in 2008.
The marked decrease in the 50cc segment (-24% with 47,000 units sold) is compensated by the over 50cc segment that, thanks also to the support of the government incentives for scrapping, has recorded approximately 169,000 units for an 8% increase compared to the first half of last year.

In the first half of 2009 the scooter market in Europe presented a reduction in volumes of 13%, passing from 722,000 units in the first half of 2008 to 629,000 units in the first half of 2009.
Among the segments the 50cc scooter was most penalized with a 20% negative trend, passing from 370,000 units in the first part of 2008 to 297,000 in 2009.
The drop was less marked for the segment of over 50cc scooters whose contraction was of 6% for a total of 331,000 units against 352,000 in the same period of 2008.
Among the major nations, Italy remains the most important market with 216,000 units, followed by France with 106,000 units; with 76,000 units sold, Germany becomes the third country of the area passing Spain whose sales have suffered a reduction to 48,000 units.
The French market dropped 15% compared to the preceding year, passing from 124,000 to

106,000 units. The decrease is considerably unbalanced on the 50cc scooter (-21%) while the drop is limited to 7% for the over 50cc scooter.
The German market is substantially stable with volumes of around 75,000 units in the first half of 2009. The trend is positive thanks to the 50cc market (+5%) while the trend of the past years is reversed for the over 50cc scooter (-5%).
The Spanish market definitely appears to be the one most affected by the world crisis. With almost 48,000 vehicles, it has markedly decreased (-42%) compared to the same period in 2008 when the market volumes were almost 82,000. Both segments show strongly negative trends, with the 50cc scooter that has fallen 54% against -33% of the over 50cc scooter.
Also the British market has shrunk considerably, with just over 13,000 vehicles (-29% compared to the same period in 2008); as for Spain also for this market the drop is more marked in the 50cc segment, that has lost 37%, against -22% of the over 50cc segment.

The scooter market in North America in the first half of 2009 showed a strong reduction in volume (-67% compared to the first half of 2008) for a total of 18,000 units. Particularly the United States (that represent almost 80% of the area of reference) show a decidedly negative trend (-71%), at over 14,000 units. Both segments of the over 50cc scooter (-73%) and of the 50cc scooter (-69%) are negative.

The motorcycle market
In the first half of 2009 the motorcycle market (including the 50cc motorcycles) in Italy recorded a 21% decrease, passing from 94,000 units of the first half of 2008 to 74,000 units. The drop is due to the decrease recorded in the sub-segments of 50cc motorbikes (passing from 4,000 units in the first half of 2008 to 3,000 units in the first half of 2009, -24%) and 126-750cc motorbikes (passing from 48,000 units in the first half of 2008 to 36,000 units in the first half of 2009, -26%). The 51-125cc motorbikes also recorded a 12% drop. The decrease is more significant for motorbikes with a high cylinder capacity with 31,000 units, 6,000 units less than in the first half of 2008 (-16%).

The motorcycle market in Europe (including the 50cc motorcycles) passed from 508,000 units in the first half of 2008 to 394.000 units in the same period of 2009 (-22%). The most significant loss was recorded in the 126-750cc segment, passing from 210,000 units to 154,000 units (-27%). The 50cc segment follows, passing from 45,000 units to 33,000 units (-25%). The 51-125cc and over 750cc segments also suffer, that respectively recorded a decrease of 17% and 19%.
The main markets are France (82,000 units) that in the first half of 2009 even passed Italy by volume of sales, Germany (67,000 units), Great Britain (45,000 units) and Spain (28,000 units).
In Europe the main sub-segment is that of maxi motorcycles (155,000 units), in which the Group is present with the Aprilia and Moto Guzzi brands, followed by that of the medium motorcycles (154,000 units), represented by the Aprilia, Moto Guzzi and Derbi brands. In the first half of 2009 there was a drop in all the main markets, especially the Spanish one (-58%) and the German one (-15%); whereas there was a smaller loss recorded on the British (-10%) and French (-8%) markets.

In the first half of 2009 the motorbike market in the United States shows a general negative trend of 44%, deriving from the contraction in all the capacity segments. The proportionally worse trend was that of the motorbikes of medium capacity, 126cc-750cc, that recorded a 53% decrease; a definite drop also for the high capacity motorbikes with a 38% reduction in volume. These segments cover over 90% of the whole United States motorcycle market.

Commercial Vehicle business
During the first six months of 2009 the European market of light commercial vehicles (vehicles with Total Land Weight ≤ 3.5 tonnes) recorded a drop compared to the same period in 2008 equal to 36.5%, passing from 1,146,106 units to 727,921 (source: ACEA, EU + EFTA registrations).
During the first six months of 2009 in the Italian domestic market the drop was around 30% with 85,778 units against 122,469 in 2008 (source: UNRAE, N1 market registrations).

The Indian 3-wheeled market, where Piaggio Vehicle Private Limited, a subsidiary company of Piaggio & C. S.p.A. , operates, passed from 173,819 units in the first six months of 2008 to 180,835 in 2009 with an increase of 4% (source: SIAM).
Within this market, the segment of passenger vehicles kept on expanding, reaching 143,801 units with 16.9% growth, while the Cargo segment decreased by 27.1%, passing from 50,805 to 37,034 units. Besides the traditional 3-Wheeled market it is necessary to consider the market for Light Commercial Vehicle with 4 wheels intended for goods transport in which Piaggio Vehicles Private Limited has been operating since 2007 with the commercial vehicle Apé Truk. The size of the Light Commercial Vehicle Cargo market, with Total Land Weight lower than 3.5 tonnes, is 82,364 units during the first six months of 2009, with a growth of 2.1% compared to the same period in 2008.

THE REGULATORY FRAMEWORK

Italy

In order to upgrade the fleet of two-wheeled vehicles by replacing it with new vehicles with less environmental impact, the Italian Government has launched two different types of incentives for consumers, subject to scrapping a corresponding obsolete vehicle:

- Scrapping & Disposal - Government Incentives (Ministry of Economic Development)
  Beginning from February 2009, for the purchase of a Euro3 motorcycle of capacity up to 400cc or of power no greater than 60kW, there is a discount for the buyer equal to 500 euro, that the manufacturer of the vehicle recovers as credit against tax. The incentive campaign will remain in force up to 31 December 2009.

- Scrapping – Programme agreement between the Ministry of the Environment and ANCMA
  In the month of April 2009, the Ministry of the Environment has allocated a fund of approximately 9 million euros for contributions for the purchase of bicycles/electric bicycles (up to 700 euros), mopeds (up to 180 euros if 2 stroke or 350 euros if 4 stroke), electric vehicles (up to 1,300 euros) and hybrid vehicles (up to 950 euros). This fund was soon drawn down and it was used almost exclusively for the purchase of bicycles, because of the extremely simplified procedure required for these vehicles. In consideration of the success of the initiative, the Ministry of the Environment decided to provide another 10 million euros for the continuation of the incentive campaign. The new agreement between the Ministry of the Environment and ANCMA means that buyers of mopeds and electric/hybrid vehicles will enjoy an incentive up to 500 euros for thermal vehicles and of 1,300 euros for electric/hybrid vehicles, that will be financed by drawing on a specific fund of 5 million euros.

The collaboration between the Motor Vehicles Department, ANFIA and ANCMA for the definition of a specific national legislation on tuning, resulted in a modification to the text of art.75 of the Highway Code, that now includes the possibility for 2-wheeled vehicle users to “customize” their vehicle, without excessive bureaucratic constraints, also replacing important original parts for the purposes of safety and/or emissions, with aftermarket components, provided that the technical and administrative constraints that are from time to time fixed by the Ministry of Transport are respected.

With appropriate contacts and initiatives, in the month of April 2009, the Piaggio group has obtained the authorization from the Ministry of Transport so that the vehicle MP3 LT, also in the Three-wheeled version, is cleared to circulate on freeways, highways and bypass roads. The only condition is that the capacity of the vehicle be greater than or equal to 250cc.

Europe

In the period considered, the European Commission has continued to implement and analyze indepth the activities of analysis for new technical prescriptions concerning:

- polluting emissions (new Euro phases, emission of CO2, durability, measurement of fuel consumption, new procedure for measuring exhaust noise);
- aspects associated with safety (braking system equipped with ABS, power limiting, anti-rigging regulations, etc.).

The Piaggio group is carefully monitoring these activities, to prevent new legislative prescriptions from translating into higher and higher prices of the vehicles for the public.

In addition, the EU Commission is appraising the possibility of extending the obligation for 2 or 3 wheeled vehicles to undergo periodic technical revisions, already for a long time in force for motor cars throughout the EU. This measure would involve a greater control on the real safety conditions and on the real polluting emissions of the vehicles in circulation.
Such periodic revisions have already for a long time been in force in Italy, with beneficial effects on the number of road accidents.

In **France** a proposal has been rejected to change the national legislation, aiming at preventing people from driving the Piaggio vehicle MP3 LT with the B licence. This has been possible on the basis of the fact that the directive currently in force on the community driver's licence (91/439/EC) allows driving the MP3 LT with the B licence and that the national legislation cannot be in contrast with that of the EU.

In **Spain** the new directive was assimilated very early on the community licence (2006/126/EC), whose coming into force was planned for within January 2013. This directive requires more restrictive conditions than the current ones for driving 2 or 3 wheeled vehicles. ACEM has asked the EU to have the member states respect the dates required by the directives, therefore asking Spain to postpone the national implementation of the above directive by a few years.

THE PIAGGIO GROUP

Two-wheeled business

In the first half of 2009 the Piaggio group, considering its brands, Piaggio, Gilera, Vespa, Derbi, Aprilia and Moto Guzzi, commercialized in the Two-wheeled business a total of 227 thousand units (-19.2% compared to the first half of 2008), with net sales of 595.7 million euros (-15%) comprehensive of spare parts and accessories. This performance has suffered from the general reduction in demand, due to the crisis of the world financial markets.
There was very good performance in the scooter sector (-10.3% compared to the first half of 2008) where the brands of the Piaggio group strengthened the leadership in the European market with a 28% share (+2% compared to the first half of 2008). The group was able to limit the loss by taking advantage of the fame of its brands and by adding new versions to major models such as Beverly, Liberty and MP3 that have allowed excellent growth in share to partly compensate the loss in volume associated with the market trend.
As regards the segment of motorbikes, the group's sales were significantly penalized by the marked reduction in the market throughout Europe, especially in Spain and Italy.
Nevertheless also for 2009 there was no shortage of new product, the most important of which is surely the Aprilia RSV4, the motorbike that has celebrated the return of Aprilia to the Superbike World Championship.

With respect to the geographical areas we must underline the excellent result achieved in America, where with a heavy reduction in the demand (-44%) sales dropped only by 11.8%.

Two-Wheeled Product Range
The Piaggio group ranges are formed by a broad series of products, constantly in the top positions

of the sales rankings, that allow an optimal coverage of the different market segments. The model most sold in the first half of 2009 was Vespa LX (over 32,000 units sold) that, beginning from 2009, is also produced in the new plant in Vietnam for the local market (more than 2,000 units sold in the sole month of June); in second place Piaggio Liberty: recently renewed in its lines, it has been confirmed as a real icon of the scooter market with over 22,000 units sold compared to 20,000 in the first half of 2008.
As always there was a considerable contribution from the Vespa GTS that with almost 19,000 units sold is the third vehicle, significantly improving the approximately 16,000 units of the first half of 2008. In fourth place the Beverly with volumes for over 17,000 units: thanks to the 300cc engine recently introduced, it maintained considerable volumes at a distance of one year from its great design renewal.
The performance of the two “entry level” vehicles remains considerable: Fly and Zip have altogether recorded over 25,000 units sold; the growth of Zip was particularly important thanks to the introduction of the 2-stroke version that has obtained a great deal of success especially in Italy.
The performances of another novelty launched in the first half of 2009 should be emphasised: Carnaby Cruiser 300, a high wheel scooter of medium size that has proven to be a valid alternative in a very complex market segment that is well covered by the Japanese and Korean brands.
Lastly the group’s efforts in renewing its engines should be highlighted: since the first half of 2009 all the engines over 50, except for the 100cc, are equipped with electronic injection able to ensure better power delivery, a reduction in consumption and therefore a reduction in polluting emissions.
The attention of the Piaggio group toward the aspects tied to the protection of the environment has been further confirmed by the launch of MP3 Hybrid, a new advanced vehicle that integrates the traditional thermal propulsion with low environmental impact with the electric engine with zero emissions, adding the advantages of the two engines together.
In the scooters, Aprilia has entirely renewed the range of the most famous model in its history, Scarabeo: thus the elegant and sporting version 300 Special, the new “multi map” 125cc and 200cc engines and the 50cc 4-valve version able to provide the best performance with reduced consumptions and emissions have been introduced.
The Aprilia motorbike range in the first half of 2009 saw the addition of the most innovative and powerful model ever built by Aprilia, the RSV4. Thanks to this project equipped with an ultra-advanced technological component, Aprilia has returned to compete in the Superbike world championship, immediately highlighting the high competitive capacity that has always distinguished the work of the Noale Racing Department.
Despite the considerable use of resources that this project necessarily requires, light renewals on the other models in the Aprilia motorbike range have not been neglected: thus Shiver and Mana have been joined by semi-fairing versions, distinguished by the abbreviation GT, able to satisfy both the demands of urban mobility and to provide the right protection for medium and long distance rides.
During the first six months of 2009 also Moto Guzzi has continued the renovation of its vehicle range introducing the V7 Café Classic, a renewed version of the V7 Sport and the new Moto Guzzi Stelvio 1200 4V NTX.

Commercial Vehicle business
The Commercial Vehicle division ended the first six months of 2009 with 87.2 thousand units sold with 5% drop over the volumes of 2008, while sales passed from 199.6 million euros in the first half of 2008 to 199.9 million euros in 2009 with a 0.1% positive variation. Sales were generated in Europe for 72.2 million euros while India realized 127.7 million euros.

On the European market Piaggio reached 8,592 units sold. The sales dropped by 6.2% passing from 77 million euros registered in the first six months of 2008 to 72.2 million euros in 2009, with a nevertheless limited drop considering the decrease in market sales. Thanks to the renewal of the Porter range and to the success of the Eco-solution engines with low environmental impact, the dynamics of the sales in Porter units is positive, from the 3,837 units of the first half of 2008 to the

4,046 units in 2009, with a 5.4% variation, against the trend compared to the market.
As concerns the product range in Europe, the first half of 2009 was distinguished by the birth of the new Porter. The main elements of novelty concern the external style, the style and the comfort of the interiors and the introduction of new content, first and foremost the EPS, that make driving the vehicle more comfortable. The renewal has concerned both the petrol Porter and the LPG bi-fuel Porter, and in the coming months it will also involve the electric drive Porter and the Maxxi Porter.

On the Indian 3-wheeled market, Piaggio Vehicles Private Limited maintains its role as a key player on the market. The sales of 3 wheelers drop slightly from 74,811 in the first six months of 2008 to 73,531 in 2009 recording a 2.6% drop. The market share is consolidated around 40.7%. Analyzing the market in detail, Piaggio Vehicles consolidates its role of market leader in the Cargo segment for goods transport. Thanks particularly to the success of the Piaggio Apé 501 vehicle and to its numerous possibilities of customization the market share of Piaggio Vehicles Private Limited has reached 53.9%. There is also a considerable incidence in the Passenger segment.

On the contrary, there has been a drop in sales on the market of Light Commercial Vehicles with 4 wheels. Ape Truk passes from 4,686 units in the first six months of 2008 to 4,013 units during the first six months of 2009.

The naval sector: Rodriquez group

During the first half of 2009, the Rodriquez group recorded a decrease in net revenues compared to the preceding year of 11.4% reaching 64.8 million euros. The decrease is mainly due to the Parent Company Rodriquez and to the subsidiary Conam and in addition it suffers from delays in the progress of production in the yard of Sarzana, following the flood of the river Magra in the month of January 2009.

The production has moreover been characterized, particularly in the Fast Ferries and Mega Yacht sector, by altogether still insufficient marginality to absorb the direct costs of production and those of the fixed structures; the marginality, especially for the Oman order of the Fast Ferries division suffers the effect of the negative variations in the estimates of the order in relation to the technical problems of building the catamarans and additional costs sustained in the period for the delivery of the first boat, while for the Yacht Division the Conam company shows negative marginality mainly because of the rescission of contracts with some customers.

Profitability is therefore still negative at 30 June 2009, showing a net consolidable loss equal to 4 million euro that is compared to a loss of 3.8 million in the corresponding period of the preceding year.

At 30 June 2009, the overall order book stood at some 225 million euros of which about 204 million euros belonging to the Military sector (the construction of minesweepers and patrol boats), 20 million euros from the Fast Ferries sector (including the order to build five catamarans for the Sultanate of Oman whose original contract subscribed in 2006 amounts to approximately 90 million dollars) and the rest being yachts of various sizes.

The Rodriquez group has significant negotiations under way concerning potential orders mainly referring to the Military sector with both national and international buyers, among which one is related to the activity of modernizing the Gaeta class minesweepers of the Italian Navy for a total value of 198.7 million euros. Regarding this negotiation, that had positive results after 30 June 2009, please refer to the paragraph related to the Events occurring after 30 June 2009 and business outlook for greater details.

The net financial debt, equal to 80 million euros has decreased compared to the balance at the end of 2008, equal to 85.9 million euros, because of the positive cash internally generated equal to 4.5

million euros, the improvement in the working capital for 2.8 million euro notwithstanding the investments of the period equal to 1.4 million.

Financial situation and financial performance of the Group

In the first half of 2009 the Group presented operating results that are altogether positive even with a profoundly deteriorated macroeconomic situation of reference that is reflected in a general downturn in relation to the actual results in the same period of the preceding year. The variations recorded in the perimeter of consolidation, related to the closing of the liquidation procedure of Aprilia Moto UK are quite limited and therefore do not alter the comparability of the balance sheet and income results between the two periods of reference. In addition, at the end of the year 2008 the Immsi Group was joined by the companies Immsi Audit S.c.a.r.l. and ISM Investimenti S.p.A., whose components of assets and income do not basically alter the comparability of the periods being compared.

On the contrary, the consolidated share of the net worth of the Piaggio group, that at 30 June 2009 amounted to 57.58% was equal to 58.31% at 30 June 2008. The change is due to the purchases of Piaggio shares made on the MTA by Piaggio & C. S.p.A., as well as to purchases and sales concluded on the market by the Parent company Immsi S.p.A. as mentioned above.

The total net revenues decreased by 113 million euros (-11.6%) reaching 862.9 million euros, mainly due to the contribution of the industrial sector for 795.6 million euros, down by 104.7 million euros (-11.6%), and the naval sector for 64.8 million euros, down by 8.4 million euros (-11.4%).

Operating earnings before amortisation and depreciation (EBITDA) at 30 June 2009 was 100.9 million euros, 11.7% of net revenues, while operating earnings (EBIT) were 52.9 million euros, 6.1% of net revenues. They therefore show a drop respectively of 19.4 million euros (-16.1%) and 18.8 million euros (-26.2%) compared to 30 June of the previous year.
Moreover, it is pointed out that operating earnings do not include goodwill in that, on the basis of the results expected in the multi-year development plans prepared by the Group companies and used by third-party independent experts for testing for impairment performed at 31 December 2008, no write-downs were deemed to be necessary in that such goodwill is considered to be recoverable with future cash flows.

The earnings before taxes, on 30 June 2009 amounted to 30.1 million euros, equal to 3.5% of net revenues compared to 56.9 million euros (5.8% of net revenues) at 30 June 2008.

The taxes for the period, amount to 18.7 million euros compared to 14.3 million at 30 June 2008, with a tax rate of respectively 62% and 25.1%. The increase is mainly due to the recording in the Piaggio group of receivable deferred taxes in the year 2008 correlated to fiscal losses of preceding years.

Group earnings for the period stand at 4.3 million euros (0.5% of net revenues) compared to 26.3 million euros (2.7% of net revenues) at 30 June 2008.

Group net financial debt at 30 June 2009 totals 593.8 million euros, increasing (15.1 million euros) compared to the balance of 608.9 million euros at 31 December 2008 and decreasing by approx. 78 million euros compared to the balance of 515.8 million euros at 30 June 2008.

Group gross investments in the year totalled 52.7 million euros, divided as follows:

- 26.5 million euros in intangible assets, almost fully referring to the Piaggio group;
- 22.5 million euros in tangible assets, of which 20.4 million euros referring to the Piaggio group, 1.3 million euros to the Rodriquez group and the rest to the property/holding company sector;
- 3.7 million euros mainly for purchasing Piaggio & C. S.p.A. shares by Immsi S.p.A. (2.6 million euros) and by Piaggio (0.9 million euros).

The total shareholders' equity of the Immsi Group at 30 June 2009 is equal to 597.4 million euros; excluding the portion for the minority shareholders, the Group shareholders' equity is equal to 403.3 million euros.

Financial performance of the Group

The Group prepares reclassified figures as well as the financial statement schedules required by law.
A short description of the main balance sheet and income statement items is provided below the reclassified schedules. Further information on these items may be found in the Explanatory Notes. Specific notes referring to the mandatory schedule items are omitted since the sums coincide.
The reclassified consolidated income statement of Immsi Group shown below is classified by the nature of the income components and is in line with the IAS/IFRS guidelines which consider them entirely arising from ordinary activities, except for those of a financial nature.

In thousands of euros	*1st Half of 2009*		*1st Half of 2008*		*Change*	*in %*
Net revenues	**862,890**	**100%**	**975,939**	**100%**	**-113,049**	**-11.6%**
Costs for materials	496,714	57.6%	568,248	58.2%	-71,534	-12.6%
Costs for services and the use of third party assets	174,757	20.3%	196,370	20.1%	-21,613	-11.0%
Personnel costs	140,360	16.3%	147,903	15.2%	-7,543	-5.1%
Other operating income	72,211	8.4%	74,356	7.6%	-2,145	-2.9%
Other operating costs	22,405	2.6%	17,487	1.8%	4,918	28.1%
OPERATING EARNINGS BEFORE AMORTISATION/DEPRECIATION	**100,865**	**11.7%**	**120,287**	**12.3%**	**-19,422**	**-16.1%**
Depreciation of tangibile assets	20,863	2.4%	22,192	2.3%	-1,329	-6.0%
Impairment of goodwill	0	-	0	-	0	-
Amortisation of finite life intangible assets	27,063	3.1%	26,330	2.7%	733	2.8%
OPERATING EARNINGS	**52,939**	**6.1%**	**71,765**	**7.4%**	**-18,826**	**-26.2%**
Earnings on equity investments	171	0.0%	47	0.0%	124	263.8%
Financial income	6,639	0.8%	20,598	2.1%	-13,959	-67.8%
Financial charges	29,669	3.4%	35,540	3.6%	-5,871	-16.5%
EARNINGS BEFORE TAXATION	**30,080**	**3.5%**	**56,870**	**5.8%**	**-26,790**	**-47.1%**
Taxation	18,656	2.2%	14,262	1.5%	4,394	30.8%
EARNINGS AFTER TAXATION FROM CONTINUING ASSETS	**11,424**	**1.3%**	**42,608**	**4.4%**	**-31,184**	**-73.2%**
Profit (loss) from assets for disposal or sale	0	-	0	-	0	-
EARNINGS FOR THE PERIOD INCLUDING MINORITY INTEREST	**11,424**	**1.3%**	**42,608**	**4.4%**	**-31,184**	**-73.2%**
Minority interest earnings for the period	7,113	0.8%	16,292	1.7%	-9,179	-56.3%
GROUP EARNINGS FOR THE PERIOD	**4,311**	**0.5%**	**26,316**	**2.7%**	**-22,005**	**-83.6%**

Consolidated Group turnover at 30 June 2009 is 862.9 million euros, of which 795.6 million euros from the Piaggio group, 64.8 million euros from Rodriquez group and 2.4 million euros from the property and holding company sector.

The industrial sector has net revenues with a drop of approximately 11.6% million euro compared to the same period of the preceding year (that is -104.7 million euros compared to 900.3 million at 30 June 2008). As regards the Two-Wheeled business, this performance was accomplished in the context of a particularly difficult market in the main areas of reference of the group. Demand has indeed decreased compared to the first half of the preceding year both in Italy (-6.9%) and in Europe (-17%) as well as in the United States (-44% globally, and -71% in the scooter subsegment). As concerns the Commercial Vehicles business, in India the market has started growing again and an increase has been recorded in the segments of reference equal to 4%.

With reference to the naval sector, the net revenues amount at 30 June 2009 to 64.8 million euros, a decrease of 11.4%, compared to 73.2 million euros made in 2008 mainly because of the drop in the parent company Rodriquez and in Conam, and due to delays in the progress of production in the yard of Sarzana, following the flood of the river Magra in the month of January 2009.

Lastly, with reference to the property/holding sector the revenues of the period are basically in line compared to the figure in the first half of 2008.

Operating costs and other consolidated Group net costs in the first half of 2009 total 762 million euros (equal to 88.3% of net revenues), of which 688.1 million euros (equal to 86.5% of group revenues) relating to the Piaggio group.

Costs for materials total 496.7 million euros, 57.6% of revenues. The cost relating just to the industrial sector amounts to 461.4 million euros, 58% of the revenues of the sector.

Personnel costs total 140.4 million euros, or 16.3% of sales. The largest part, 129.7 million euros (16.3% of net revenues), refers to the Piaggio group. The average remunerated workforce amounts to 7,482 units compared to 7,987 units in the first half of 2008.

The value of the EBITDA (defined as the operational result gross of amortizations of intangible assets and depreciations of tangible assets as shown in the consolidated income statement) amounts to 100.9 million euros, equal to 11.7% of the net revenues compared to 120.3 million in 2008 (12.3% of the net revenues of the period), with a decrease on 2008 of 19.4 million euros.

Depreciation and amortisation for the period stand at 47.9 million euros (of which 45.9 million euros in the industrial sector),equal to 5.6% of turnover and showing a 0.6 million euros decrease compared to 2008. Depreciation of tangible assets accounts for 20.9 million euros, while amortization of intangibles excluding goodwill total 27.1 million euros.

Overall EBIT showed a profit of 52.9 positive million euros, 6.1% of net revenues, of which 61.6 million euros referring to the industrial sector.

The negative net financial balance totals 23 million euros, 2.6% of the Group net revenues, the result of a net negative balance of 16.4 million euros relating to the industrial sector, 0.9 million euros from the naval sector and a negative balance of 5.7 million euros from the property and holding sector.

Profit before taxation stands at 30.1 million euros, or 3.5% of net revenues, of which 45.1 million euros from the industrial sector, 6.6 million euros from the naval sector, and 8.4 negative million euros from the property and holding sector.

Net earnings for the period, after taxation and net of minority interest, totals 4.3 million euros (0.5% of net revenues),showing a 22 million euros decrease compared to 30 June 2008.

Group financial situation

In thousands of euros	*30.06.2009*	*in %*	*31.12.2008*	*in %*	*30.06.2008*	*in %*
Current assets:						
Cash and cash equivalent	168,851	7.2%	55,353	2.6%	102,511	4.7%
Financial assets	24,256	1.0%	6,707	0.3%	31,534	1.4%
Operating assets	770,535	32.8%	639,213	30.3%	833,745	38.3%
Total current assets	**963,642**	**41.0%**	**701,273**	**33.3%**	**967,790**	**44.4%**
Non-current assets:						
Financial assets	0	-	0	-	0	-
Intangible assets	824,878	35.1%	827,472	39.3%	816,092	37.5%
Tangible assets	299,549	12.8%	299,500	14.2%	297,962	13.7%
Other assets	260,991	11.1%	278,372	13.2%	95,818	4.4%
Total non-current assets	**1,385,418**	**59.0%**	**1,405,344**	**66.7%**	**1,209,872**	**55.6%**
TOTAL ASSETS	**2,349,060**	**100%**	**2,106,617**	**100%**	**2,177,662**	**100%**
Current liabilities:						
Financial liabilities	369,656	15.7%	332,752	15.8%	280,340	12.9%
Operating liabilities	806,321	34.3%	690,134	32.8%	792,943	36.4%
Total current liabilities	**1,175,977**	**50.1%**	**1,022,886**	**48.6%**	**1,073,283**	**49.3%**
Non-current liabilities:						
Financial liabilities	417,234	17.8%	338,187	16.1%	369,471	17.0%
Other non-current liabilities	158,496	6.7%	160,161	7.6%	146,516	6.7%
Total non-current liabilities	**575,730**	**24.5%**	**498,348**	**23.7%**	**515,987**	**23.7%**
TOTAL LIABILITIES	**1,751,707**	**74.6%**	**1,521,234**	**72.2%**	**1,589,270**	**73.0%**
TOTAL SHAREHOLDERS' EQUITY	**597,353**	**25.4%**	**585,383**	**27.8%**	**588,392**	**27.0%**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,349,060**	**100%**	**2,106,617**	**100%**	**2,177,662**	**100%**

Current assets at 30 June 2009 amounted to 963.6 million euros, an increase over 31 December 2008 of 262.4 million euros and a decrease of around 4.1 million euros compared to 30 June 2008. The increase compared to year end 2008 is mainly due to the growth in the net trade receivables (+144.4 million euros) and to the growth of the inventories (+21.8 million euros) mainly in Piaggio (respectively +130.1 and +23.3 million euros) because of the seasonality of the business. In addition, there is the increase in cash and cash equivalents (+113.5 million euros) mainly related to the Piaggio group (+106.6 million euros).

Non-current assets at 30 June 2009 stand at 1,385.4 million euros against 1,405.3 million at 31 December 2008, with a 19.9 million euros decrease.

Specifically, among the non-current assets, intangible assets total 824.9 million euros, a 2.6 million euros decrease compared to 31 December 2008, tangible assets stand at 299.5 million euros (basically unchanged compared to year end 2008) and other assets of 261 million euros (against 278.4 million at the end of 2008).

Current liabilities at 30 June 2009 total 1,176 million euros, 153.1 million euros increase compared to 31 December 2008, mainly related to the increase in the trade payables (+114.5 million euros, of which +107 million in the Piaggio group), mainly in relation to the seasonality of the purchases.

Non-current liabilities at 30 June 2009 stand at 575.7 million euros compared to 498.3 million euros at 31 December 2008. The increase is attributable mainly to financial liabilities, 79 million euros increase compared to 31 December 2008.

The consolidated Group and minority interest shareholders' equity at 30 June 2009 is 597.4 million euros, of which 194 million euros attributable to minority interest.

An analysis of **invested capital** and its financial cover is presented below:

In thousands of euros	*30.06.2009*	*in %*	*31.12.2008*	*in %*	*30.06.2008*	*in %*
Current operating assets	770,535	57.1%	639,213	47.2%	833,745	66.7%
Current operating liabilities	-806,321	-59.7%	-690,134	-51.0%	-792,943	-63.4%
Net operating working capital	**-35,786**	**-2.7%**	**-50,921**	**-3.8%**	**40,802**	**3.3%**
Intangible assets	824,878	61.1%	827,472	61.1%	816,092	65.3%
Tangible assets	299,549	22.2%	299,500	22.1%	297,962	23.8%
Other assets	260,991	19.3%	278,372	20.6%	95,818	7.7%
Invested capital	**1,349,632**	**100%**	**1,354,423**	**100%**	**1,250,674**	**100%**
Non-current non-financial liabilities	158,496	11.7%	160,161	11.8%	146,516	11.7%
Minority interest capital and reserves	194,020	14.4%	190,704	14.1%	196,466	15.7%
Consolidated shareholders' equity of the Group	403,333	29.9%	394,679	29.1%	391,926	31.3%
Total non-financial sources	**755,849**	**56.0%**	**745,544**	**55.0%**	**734,908**	**58.8%**
Net financial debt	**593,783**	**44.0%**	**608,879**	**45.0%**	**515,766**	**41.2%**

The schedule below illustrates the **cash flow statement** for the period:

In thousands of euros	*30.06.2009*	*30.06.2008*
Cash generated internally	93,874	106,144
Change in net working capital	-26,203	-63,273
Net Cash flow generated from operations	**67,671**	**42,871**
Payment of dividends by Parent company	0	-10,296
Payment of dividends to minority interest by Group companies	-9,383	-9,802
Increase in Parent company share capital	0	0
Increase in share capital of subsidiaries underwritten by minority interest	0	253
Purchase of treasury shares by the companies of the Group	-868	-4,339
Purchase of intangible assets	-26,508	-24,494
Purchase of tangibile assets	-22,513	-16,644
Sale price of tangibile and intangibile assets	285	92
Acquisition of non-controlling equity investments, net of disposal	4	8,037
Acquisition of controlling equity investments, net of disposals	6,328	-11,777
Other net movements	80	-61,496
Change in net financial position	**15,096**	**-87,595**
Initial net financial position	**-608,879**	**-428,171**
Closing net financial position	**-593,783**	**-515,766**

The net financial debt passes from 608.9 million euros at 31 December 2008 to 593.8 million euros at 30 June 2009 due to the net cash flow generated from operations (67.7 million euros) that offsets the net investments of the period (43.3 million euros) and the dividends distributed to minority shareholders (9.4 million euros).

The net **financial debt**, equal to 593.8 million euros is analysed below and compared with the corresponding figure at 30 June 2008 and at 31 December 2008, according to the Consob Communication no. 6064293 dated 28 July 2006:

In thousands of euros	*30.06.2009*	*31.12.2008*	*30.06.2008*
Short-term liquidity			
Cash and cash equivalent	-168,851	-55,353	-102,511
Financial assets	-24,256	-6,707	-31,534
Total short-term financial assets	**-193,107**	**-62,060**	**-134,045**
Shot-term financial payables			
Bonds	0	0	0
Amounts due to bank	331,412	316,122	173,973
Amounts due under finance leases	784	769	753
Amounts due to other lenders	37,460	15,861	105,614
Total short-term financial payables	**369,656**	**332,752**	**280,340**
Total short-term financial debt	**176,549**	**270,692**	**146,295**
Medium/long-term financial assets			
Receivables for loans	0	0	0
Other financial assets	0	0	0
Total medium/long-term financial assets	**0**	**0**	**0**
Medium/long-term financial payables			
Bonds	119,239	120,873	145,767
Amounts due to bank	252,339	172,273	188,443
Amounts due under finance leases	8,765	9,200	9,644
Amounts due to other lenders	36,891	35,841	25,617
Total medium/long-term financial payables	**417,234**	**338,187**	**369,471**
Total medium/long-term financial debt	**417,234**	**338,187**	**369,471**
Net financial debt	**593,783**	**608,879**	**515,766**

Research & development

The Immsi Group carries out research and development activities through its subsidiaries Piaggio and Rodriquez. Below is a summary of the main current activities in the two respective sectors.

The **Piaggio group** carries on its activities of research and development of new products or technologically advanced solutions to apply to its vehicles and engines in its many different production facilities.
Also in the first half of 2009 the group continued with its policy aimed at providing technological leadership in the sector, allocating resources to the activity of research and development for a total of 35.5 million euros with an incidence on turnover of 4.5% (3.9% in the first half of 2008), of which 23.4 million euros capitalized in the intangible assets as development costs.
The activities of research have in particular concerned new vehicles and new engines, especially from an ecological standpoint.

As regards the naval sector, the **Rodriquez group** continued in the first half of 2009 with its own activities of Research and Development for the completion of the projects and prototypes called Submerged Hydrofoils ("*Ala Immersa*") and Aliswath. Costs were sustained in the period for 0.8 million euros, which was partly capitalized under the intangible assets (design costs), partly accounted under inventories as they concern the construction of the prototypes deriving from the projects and partly has been accounted in the income statement compensating for the contributions. For the above projects, 8.1 million euros were capitalized at 30 June 2009 in the intangible assets net of amortization and deferred income and 22.7 million euros in inventories for the value of the prototypes under construction.

Risk factors

With reference to the risk factors that characterize the business of the Immsi Group, no significant variations have occurred during the first half of 2009 in relation to the contents of the Report of the Directors and the Financial Statements of the Immsi Group at 31 December 2008, to which reference is made for any further investigation. While, as concerns the main risks and uncertainties related to the second half, please refer to the paragraph related to the Events occurring after 30 June 2009 and business outlook.

Human resources

At 30 June 2009, Immsi Group employed 7,851 staff, of which 97 in the property/holding sector, 7,339 in the industrial sector (Piaggio group) and 415 in the naval sector (Rodriquez group).

The following tables divide resources by category and geographical area:

Human resources by category

numbers	30.06.2009			
	Property and holding sector	Industrial sector	Naval sector	Group total
Senior managers	7	112	17	136
Middle managers and employees	43	2,464	174	2,681
Manual workers	47	4,763	224	5,034
TOTAL	**97**	**7,339**	**415**	**7,851**

Human resources by geographical area

numbers	30.06.2009			
	Property and holding sector	Industrial sector	Naval sector	Group total
Italy	97	4,784	415	5,296
Rest of Europe	0	576	0	576
Rest of the World	0	1,979	0	1,979
TOTAL	**97**	**7,339**	**415**	**7,851**

Below is a comparison between 30 June 2009 and 31 December 2008, divided by category and geographical area.

Human resources by category

numbers	30.06.2009	31.12.2008	Change
Senior managers	136	139	-3
Middle managers and employees	2,681	2,628	53
Manual workers	5,034	3,932	1,102
TOTAL	**7,851**	**6,699**	**1,152**

Human resources by geographical area

numbers	30.06.2009	31.12.2008	Change
Italy	5,296	4,760	536
Rest of Europe	576	561	15
Rest of the World	1,979	1,378	601
TOTAL	**7,851**	**6,699**	**1,152**

Group staff at 30 June 2009 include also workers employed with term contracts, mainly belonging to Piaggio group to meet the seasonal cycle of the production activity.

Stock options

At 30 June 2009, Immsi S.p.A. has no existing stock option plan.
The subsidiary Piaggio & C. S.p.A., with reference to the incentive plan 2007-2009, deliberated by the General Meeting of the company on 7 May 2007 and reserved for senior executives of Italian and/or foreign companies controlled by it in accordance with art. 2359 of the Italian Civil Code, as well as for the directors with proxies in the aforesaid subsidiary companies ("Plan 2007-2009") during the first half of 2009 assigned two new stock options:

- on 15 January 2009, assignments were made for 390,000 options at a price of 1.2218 euros. At the date of assignment of the options the market price of the underlying financial instruments was 1.1569 euros;
- on 11 May 2009, assignments were made for 250,000 options at a price of 1.2237 euros. At the date of assignment of the options the market price of the underlying financial instruments was 1.2238 euros;

In the same period 145,000 options have expired. At the date of 30 June 2009 there were therefore assigned no. 9,910,000 rights of option for a corresponding number of shares.

Detailed information on the 2007-2009 Plan is available in the informative documents published by Piaggio & C. S.p.A. in accordance with art. 84-*bis* of the Consob Issuers Regulations, which can also be viewed on the company's institutional website www.piaggiogroup.com in the section called Investor Relations / Company Documentation.

Rights	No. of options	Average exercise price (euro)	Market price (euro)
Rights existing at 31.12.2008	9,415,000		
° of which exercisable in 2008	0		
New rights granted in the first half of 2009	640,000	1.2225	1.1830
Rights expired in the first half of 2009	145,000		
Rights existing at 30.06.2009	9,910,000		
° of which exercisable at 30.06.2009			

Other information

Treasury Stock

The Ordinary Shareholders' Meeting of the Parent company held on 29 April 2009 approved the plan to purchase and dispose treasury stock, upon revocation – for the part not carried out – of the analogous authorization granted by the Ordinary Shareholders' Meeting of 13 May 2008 and falling due on 13 November 2009. The operations of buying and selling treasury stock can be finalized at buying and/or selling treasury stock for the purposes of investment and stabilization of the price of the stock and its liquidity on the share market, or for the purposes of using treasury stock within operations connected with the current management or for projects in line with the strategies of the Company. The authorization is required for the purchase, even in more than one tranche, of common stock of the nominal value of 0.52 euro each, up to such a maximum amount, taking account of the common stock kept in portfolio by the Company and by its subsidiary companies from time to time, so that the quantity of treasury stock altogether is no greater than the maximum limit set down in the applicable "*pro tempore*" regulations, for a period of eighteen months as of the date of the deliberation. The Ordinary Shareholders' Meeting has also, with no time limits, authorized the entire or partial use, at any time, of any treasury stock purchased on the basis of the aforesaid authorization or anyhow in the Company's portfolio, by their sale or transfer of any real and/or personal rights related to them.

At 30 June 2009 the company held no. 2,670,000 shares of treasury stock, purchased on the stock market during 2008, at an average price of 0.7784 euros. In conformity with the provisions of the applicable international standards, the nominal value of the purchases of treasury stock, equal to 1,388 thousand euros, has been carried to direct deduction from the share capital.

With reference to the subsidiary Piaggio & C. S.p.A., during the first half the company, on the basis of the deliberation made by the Shareholders' Meeting on 24 June 2008, increased the treasury stock in its portfolio by purchasing treasury stock on the MTA, therefore at 30 June 2009 it held no. 27,432,542 shares, equivalent to 6.927% of the share capital.

Disputes in progress

There are no ongoing disputes of any significance involving the Parent company Immsi S.p.A..

Regarding the **property sector** and especially Apuliae S.p.A., no significant variations are noted compared to the content of the Report on Operations of the Immsi Group at 31 December 2008. In particular, following investigations carried out by the Legal Authorities, the restructuring of the building for the construction of a hotel and a wellness centre in S. Maria di Leuca (Lecce) is still suspended. With reference to the confiscation of the yard performed in March 2005, it is signalled that in the pre-trial hearing of 5 July 2007 the judge (GUP) accepted the application of Apuliae S.p.A. to commence an abbreviated hearing. The first hearing was held on 14 February 2008 with the participation of the Public Prosecutor and the defendants and on 18 April 2008 the second hearing was held with the participation of the lawyer for the defendants. The hearing for the defence of the other parties summonsed in the shortened judgment and for the pronouncement of the sentence was originally set for 7 October 2008. The judge however arranged for a postponement to 9 January 2009. On that date a new expert was appointed whose work will be delivered on 5 May 2009. The conclusive hearing, initially set for 25 May 2009, has been postponed to 28 September 2009 as the inspection by the experts was possible only on 4 July 2009.

With reference to the court case arisen between the State Administration and the Province of

Lecce regarding the assessment of the title of the real estate called *ex Colonia Scarciglia* located at Santa Maria di Leuca (LE), in which Apuliae S.p.A. has decided to take part in order to protect its interests, the Judge, after ordering the postponement to 11 April 2008, at the time of this hearing reserved the lawsuit for the decision on the preliminary requests. To date the Investigating Judge has yet to release this reserve.
Following the outcome of the private tender called in 2002 by the Province of Lecce to obtain the concession for the redevelopment of the *ex Colonia Scarciglia*, an administrative dispute arose between Apuliae S.p.A. and Igeco S.r.l.. After a series of appeals, in a ruling published on 9 May 2006, the Government Advisory Body ("*Consiglio di Stato*") ruled in favour of the last one presented by Igeco S.r.l., which claimed that the project presented by Apuliae S.p.A. goes against the initial plan to redevelop the *ex Colonia* and that the building of a hotel is beyond the scope of the Province. Apuliae S.p.A. therefore appealed to the *Consiglio di Stato* but, with sentence no. 4029/2007 published on 16 July 2007, the appeal was declared inadmissible. With reference to the last two disputes at issue, the Province of Lecce has expressed the wish to reach a solution of transaction with the State Advocacy and the lawyers of Apuliae S.p.A.. Any related transaction hypotheses are subordinated to the outcome of the above criminal proceedings.

Again with reference to the real estate sector (Is Molas S.p.A.), it is noted that – with reference to the controversy related to the property "Le Ginestre," for which the promissory buyers in the month of January 2008 notified a writ of summons to obtain withdrawal from the contract and accordingly reimbursement of double the deposit paid – the company has submitted the dossier to its attorneys. On 31 March 2009 the Judge ordered expert court evidence; subsequently, on 13 July 2009, the Judge appointed the CTE (Court Technical Expert) and the company indicated its own PTE (Party's Technical Expert of the Party). The beginning of the operations of the CTE is set for 31 August 2009 and he will have 120 days to finish the job.

Regarding the **industrial sector** (Piaggio group), Leasys–Savarent S.p.A., summoned to appear before the Court of Monza by Europe Assistance in relation to the rental supply to Poste Italiane of vehicles produced by Piaggio, summoned the company before the Court of Pisa by way of guarantee. This judgment is currently suspended awaiting definition of the controversy pending before the Court of Monza.
In relation to the same affair, Leasys–Savarent S.p.A. has moreover filed an appeal for a decree of injunction to the Court of Pisa against the company requesting payment of certain invoices related to the costs sustained by Leasys for having submitted to overhaul the mopeds rented by Leasys to Poste Italiane. Piaggio & C. S.p.A. has opposed the aforesaid order of injunction asking for its revocation since the supply contract did not set these burdens to the company's account. The Judge rejected the request for provisional enforceability of the decree of injunction put forward by Leasys and the lawsuit was postponed to a following hearing for clarification of the conclusions.

With writ of summons notified on 25 May 2006, Piaggio & C. S.p.A. brought a case before the Court of Pisa against some companies of the Case New Holland Group (Italy, Holland and USA), in order to recover damages under contractual and non-contractual responsibility relating to the execution of a supply and development contract of a new family of utility vehicles. CNH came before the court asking for rejection of the Piaggio demands and objecting, preliminarily, the lack of jurisdiction of the assigned court. The Judge ordered postponement of the lawsuit to the hearing of 2 December 2009 for the specification of the conclusions regarding the objection to the lack of jurisdiction claimed by CNH.

With writ of summons notified on 29 May 2007 Gammamoto S.r.l. in liquidation, formerly Aprilia dealer in Rome, sued Piaggio & C. S.p.A. before the court of Rome for contractual and extra-contractual liability. The company appeared in court entirely disputing the foundation of the claims of Gammamoto and objecting the incompetence of the assigned judge. The Judge, admitting the claim formulated by Piaggio, declared his lack of jurisdiction to decide on the controversy.

Da Lio S.p.A., with writ of summons notified on 15 April 2009, summoned Piaggio & C. S.p.A. before the Court of Pisa to obtain indemnity for presumed damage suffered in various ways by effect of the cancellation of the supply relations. The company appeared in court asking for all the opponent's demands to be rejected. The prehearing was set for 23 July 2009. The amounts allocated by the company for the potential risks deriving from the current dispute appear congruous in relation to the foreseeable outcome of the disputes.

In reference to the practices of fiscal litigation that see involved Piaggio & C S.p.A., there are currently three appeals with which three notices of ascertainment notified to the company and related to the tax periods 2002 and 2003 were contested. The company obtained a favourable sentence in the first degree for the year 2002. To this regard the company has not deemed it fit to set aside funds in consideration of the positive indications expressed by the professionals appointed to the defence.

The main tax disputes of the other group companies concern P&D S.p.A. in liquidation, and Piaggio Vehicles PVT Ltd.
More particularly, with regard to P&D S.p.A., a company under liquidation, there is a dispute that arises from the notices of ascertainment issued by the Italian Inland Revenue for the tax years 2000, 2001 and 2002. Opposing said notices of ascertainment, P&D S.p.A. obtained a favourable outcome in the first degree. Remember that similar checks to those at issue have been the subject of disputes concerning the tax periods of 1993, 1994 and 1995-1997 for which the company has obtained a favourable outcome with the sentences of the Supreme Court of Cassation no. 1465/2009 of 21 January 2009 (years 1995-1997); no. 3583/2009 (year 1993) and no. 3584/2009 (year 1994) both of 13 February 2009. Taking account of the favourable outcomes achieved before the Court of Cassation for the previous years and of the favourable opinions of professionals specifically called in, the company did not deem it fit to set aside any funds for the current disputes.
Finally, as concerns Piaggio Vehicles PVT Ltd, there are currently several disputes concerning various years from 1998 to 2008 that concern checks related to both direct taxes and taxes of consumption. The Indian company immediately paid the disputed amounts that will be refunded if the dispute concludes in their favour. The professional experts engaged by the defence are confident for a good result of the aforesaid disputes.

As regards the **naval sector** (Rodriquez group), in the arbitration related to the “Balaju” dispute of Intermarine, at the beginning of April there was a transaction agreement with the counterparty that has set the sum to be paid by Intermarine at 375 thousand euros, plus the costs of arbitration. At 30 June 2009 the excess of provision done in the preceding financial statements was registered in the income statement.

With reference to the subsidiary Rodriquez do Brasil, in the months of May and June, the company was the subject of tax assessments related to the years from 2004 to 2007 with reference to the disputed obligation of payment of the tax on services (ISS) for an overall value, including sanctions, of approximately 2 million euros at the exchange rate of the end of June 2009; the company presented the appropriate appeals, particularly founded upon Brazilian legislation that does not consider naval constructions subject to ISS; the tax advisor that assists the company and that has handled the appeal expressed a favourable opinion on the possibilities of winning the lawsuit.

With reference to the other current legal and fiscal disputes for the Rodriquez group, no significant variations have occurred in relation to the contents of the Report of the Directors and the Financial Statements of the Immsi Group at 31 December 2008, to which reference is made for any further investigation.

Events occurring after 30 June 2009 and business outlook

With reference to the property and holding sector and to the Parent Company Immsi S.p.A. there have been no significant events since 30 June 2009.

With reference to the **Piaggio** group, on 3 July the 2009-2012 Strategic Plan of the Piaggio group was presented. The plan, that embraces a four-year time span, aims at strong development in the Asian area, by strengthening a direct industrial presence and extending the offer of two-wheeled vehicles (that will also be produced in India) and commercial vehicles, developing the distribution structures, the organization and the human resources. On the European domestic market, the strategies of the group will aim at consolidating its current leadership, developing and innovating the product range in the scooter sectors with the different brands of the group, rationalizing the range of motorcycles and at the same time valorizing the different missions of the Aprilia, Moto Guzzi and Derbi brands. In Americas, the 2009-2012 Plan aims to develop dedicated activities of research and development in order to pursue an industrial strategy geared to the competitiveness of the costs in all the segments of the scooter market. As regards the motorcycles, the group will aim at the growth of the different brands, also through the development of the sports motorbikes in the medium cylinder capacities. Thanks to the capacity of technological innovation developed internally, the group will aim at the leadership in the offer of the new engines characterized by low or null environmental impact and by reduced fuel consumptions: the group will aim at the development and the increasing offer of hybrid, electric and bi-fuel vehicles in the two-wheeled and commercial transport sectors. In the field of the engines, in addition, production will be undertaken in India of diesel and turbodiesel engines of 1,000 and 1,200cc capacity. These engines will be a fundamental element in the extension of the group's offer in the field of commercial vehicles – produced and marketed both in Europe and in Asia – that will allow the growth and segmentation of the Ape, Quargo and Porter ranges. The strategies of the 2009-2012 Plan are also to include investments in the processes of product development and the development at international level of the current structures of Sourcing, Research and Development and IT.

With reference to the naval sector (**Rodriquez** group) it is noted that in the first few days of the month of July receivables were collected from customers for the delivery of some boats for a value of approximately 10.1 million euros, contributing to an improvement in the net financial indebtedness of the group.
At the end of July, the subsidiary Intermarine S.p.A. stipulated a contract with the Italian Navy to modernize eight Gaeta Class Minesweepers. The contract, for an amount of 198.7 million euros, comprises the supply of the activities of design, construction, installation and integration of the new systems and apparatuses of the combat system of the eight Gaeta Class Minesweepers, within the framework of the work of the "half life" technological modernization of these naval units. The contract will become fully executive after approval by *Corte dei Conti* within November 2009 and it follows the feasibility study for the modernization of the Gaeta Class Minesweepers, commissioned by the Italian Navy in December 2007 to allow the units to fulfil the entire range of their possible assignments in an efficient and effective manner and presented by Intermarine in September 2008.

Regarding the predictable evolution of the management of the Immsi Group in the second part of the period, it can be hypothesized that with reference to the Piaggio group this will be particularly dedicated – also thanks to the new products with a high technological content in the phase of commercial launching – to the growth of the group's motorcycle brands in Europe and to the consolidation of the position of leadership in the scooter sector in Europe and in America, as well as to the development of marketing Vespa scooters in Vietnam, officially commenced in late June 2009. Moreover, in the first half of 2009 the Piaggio group greatly suffered from the difficulties in the economy and markets of reference of the group, even though, since the month of March, there have been the first important signs of recovery. The group, thanks to its product portfolio in the Two-Wheeled and Commercial Vehicles business - characterized by a large range of vehicles with low environmental impact and reduced fuel consumptions - can moreover take full advantage of the effects of the eco-incentives that the Italian Government and also the Spanish Government have launched.

For the naval sector, the Rodriquez Cantieri Navali group - in the current context of the international economic crisis - aims to grow especially in the Military sector, that seems not to suffer the same as the leisure and passenger transport markets. From a strategic point of view, in the plan to develop the Military sector, significant investments are planned in production capacity in the site of Sarzana, moreover with the development of areas and structures that can also be used for the leisure sector. In the Yacht and Fast Ferries sectors, where the phase of deep and generalized crisis remains, the group will operate minimizing the costs and the use of the financial resources waiting for the desired market recovery.
In the light of the progress in production that will be made in 2009 on the contracts in being and, also taking account of the presumable volumes of production that can derive from new contracts in the Military sector, a reduction in the value of the production at consolidated level is predictable for 2009, compared to 2008, and results not yet abreast of the expectations of economic equilibrium. Moreover, the event of the flooding of the river Magra, that happened in January 2009 in the Intermarine yard of Sarzana, caused a period of downtime in production that will lead to a deferment of some of the value of the 2009 production compared to the provisions of the original budget.

Immsi Group

Half-year condensed financial statements at 30 June 2009

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2009

Amounts in thousands of euros

ASSETS		30 June 2009	31 December 2008
NON-CURRENT ASSETS			
Intangible assets	*F1*	824,878	827,472
Tangible assets	*F2*	299,549	299,500
- of which with Related Parties		*55*	*71*
Property investments	*F3*	72,707	72,349
Equity investments	*F4*	250	255
Other financial assets	*F5*	80,165	100,164
- of which with Related Parties		*0*	*0*
Amounts due from the tax authorities	*F6*	14,564	12,208
Deferred tax assets	*F7*	51,472	50,751
Trade receivables and other receivables	*F8*	20,252	21,163
- of which with Related Parties		*497*	*799*
TOTAL NON-CURRENT ASSETS		1,363,837	1,383,862
ASSETS INTENDED FOR DISPOSAL	*F9*	21,581	21,482
CURRENT ASSETS			
*Trade receivables and other receivables **	*F8*	374,800	260,988
- of which with Related Parties		*2,078*	*3,668*
Amounts due from the tax authorities	*F6*	24,670	32,747
Inventories	*F10*	349,893	328,071
Other financial assets	*F5*	45,428	24,114
- of which with Related Parties		*45*	*45*
Cash and cash equivalent	*F11*	168,851	55,353
TOTAL CURRENT ASSETS		963,642	701,273
TOTAL ASSETS		2,349,060	2,106,617

LIABILITIES		30 June 2009	31 December 2008
SHAREHOLDERS' EQUITY			
Consolidated Group Shareholders' equity		403,333	394,679
Minority interest capital and reserves		194,020	190,704
TOTAL SHAREHOLDERS' EQUITY	*G1*	597,353	585,383
NON-CURRENT LIABILITIES			
Financial liabilities	*G2*	417,234	338,187
Trade payables and other payables	*G3*	7,863	7,220
Reserves for severance indemnity and similar obligations	*G4*	69,970	69,469
Other long-term reserves	*G5*	28,312	28,859
Deferred tax liabilities	*G6*	52,351	54,613
TOTAL NON-CURRENT LIABILITIES		575,730	498,348
LIABILITIES LINKED WITH ASSETS INTENDED FOR DISPOSAL		0	0
CURRENT LIABILITIES			
Financial liabilities	*G2*	369,656	332,752
Trade payables	*G3*	621,077	499,878
- of which with Related Parties		*16,299*	10,612
Current taxation	*G7*	39,980	21,453
Other payables	*G3*	118,953	142,965
- of which with Related Parties		*218*	*218*
Current portion of other long-term reserves	*G5*	26,311	25,838
TOTAL CURRENT LIABILITIES		1,175,977	1,022,886
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,349,060	2,106,617

(*) It includes the balance of the "contract works in progress" heading, previously given as a separate item in the current assets and reclassified as indicated by the OIC (operational guide no. 3 dated June 2008)

CONSOLIDATED INCOME STATEMENT AT 30 JUNE 2009

Amounts in thousands of euros

		1st Half of 2009	1st Half of 2008
Net revenues	*H1*	862,890	975,939
Costs for materials	*H2*	496,714	568,248
- of which with Related Parties		*23,157*	*23,801*
Costs for services and the use of third party assets	*H3*	174,757	196,370
- of which with Related Parties		*331*	*246*
Personnel costs	*H4*	140,360	147,903
Depreciation of tangibile assets	*H5*	20,863	22,192
Impairment of goodwill		0	0
Amortisation of finite life intangible assets	*H6*	27,063	26,330
Other operating income	*H7*	72,211	74,356
Other operating costs	*H8*	22,405	17,487
OPERATING EARNINGS		52,939	71,765
Earnings on equity investments		171	47
Financial income	*H9*	6,639	20,598
Financial charges	*H10*	29,669	35,540
- of which with Related Parties		*0*	*0*
EARNINGS BEFORE TAXATION		30,080	56,870
Taxation	*H11*	18,656	14,262
EARNINGS AFTER TAXATION FROM CONTINUING ASSETS		11,424	42,608
Profit (loss) from assets for disposal or sale	*H12*	0	0
EARNINGS FOR THE PERIOD INCLUDING MINORITY INTEREST		11,424	42,608
Minority interest earnings for the period		7,113	16,292
GROUP EARNINGS FOR THE PERIOD	*H13*	4,311	26,316

EARNINGS PER SHARE

In euros

From continuing and discontinued operations:	1st Half of 2009	1st Half of 2008
Basic	0.013	0.077
Diluted	0.013	0.077

From continuing operations:		
Basic	0.013	0.077
Diluted	0.013	0.077
Average number of shares:	340,530,000	342,893,333

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AT 30 JUNE 2009

Amounts in thousands of euros

	1st Half of 2009	*1st Half of 2008*
GROUP EARNINGS FOR THE PERIOD INCLUDING MINORITY INTEREST	11,424	42,608
Gains/(Losses) on cash flow hedges	609	1,887
Gains/(Losses) on exchange differences on translating foreign operations	122	(5,402)
Gains/(Losses) on evaluation at fair value of assets available for sale (AFS)	3,713	(23,899)
TOTAL OTHER GAINS (LOSSES) FOR THE PERIOD	4,444	(27,414)
TOTAL OF COMPREHENSIVE INCOME (LOSSES) FOR THE PERIOD	15,868	15,194
Minority interest earnings for the period	7,401	14,849
GROUP EARNINGS FOR THE PERIOD	8,467	345

STATEMENT OF CONSOLIDATED CASH FLOWS AT 30 JUNE 2009

Amounts in thousands of euros

		1st Half of 2009	1st Half of 2008
Operations			
Earnings for the period	*H13*	4,311	26,316
Minority interest	*G1*	7,113	16,292
Taxation	*H11*	18,656	14,262
Depreciation of tangible assets (including property investments)	*H5*	20,863	22,192
Amortisation of intangible assets	*H6*	27,063	26,330
Provisions for risks and for severance indemnity and similar obligations	*H8 - H4*	16,213	14,663
Write-downs / (Revaluations)	*H7 - H8*	1,289	1,836
Losses / (Gains) on disposal of tangible assets (including property investments)	*H7 - H8*	21	(33)
Losses / (Gains) on disposal of intangible assets	*H7 - H8*	(18)	(2,596)
Losses / (Gains) on disposal of non-consolidated equity investments		0	0
Losses / (Gains) from assets intended for disposal or sale		0	0
Losses / (Gains) on disposal of securities	*H9*	1,340	(5,884)
Interest receivable	*H9*	(2,042)	(2,564)
Dividend income	*H9*	0	(2,594)
Interest payable	*H10*	23,989	24,728
Depreciation of grants	*H7*	(6,591)	(7,127)
Earnings portion before taxation in associated companies (and other companies at Equity)		0	6
Change in working capital:			
(Increase) / Decrease in trade receivables	*F8*	(142,941)	(178,577)
(Increase) / Decrease in inventories	*F10*	(21,822)	(58,429)
Increase / (Decrease) in trade payables	*G3*	121,249	188,022
(Increase) / Decrease in contract work in progress	*F8*	10,685	2,971
Increase / (Decrease) in provisions for risks	*G5*	(10,657)	(10,725)
Increase / (Decrease) reserves for severance indemnity similar obligations	*G4*	(5,159)	(6,196)
Other changes		22,550	496
Cash generated from operations		86,112	63,389
Interest paid		(17,823)	(27,773)
Taxation paid		(10,011)	(6,080)
Cash flow from operations		58,278	29,536

		1st Half of 2009	1st Half of 2008
Investments			
Acquisition of subsidiaries, net of cash and cash equivalents	*F1*	(2,877)	(11,777)
Sale price of subsidiaries, net of cash and cash equivalents		9,205	0
Investments in tangible assets	*F2*	(22,414)	(16,423)
Sale price, or repayment value, of tangible assets (including property investments)		264	125
Investments in intangible assets	*F1*	(26,508)	(24,494)
Sale price, or repayment value, of intangible assets		27	2,596
Purchase of non-consolidated equity investments	*F4*	0	0
Sale price of non-consolidated equity investments		4	(4)
Loans provided		(2)	(63)
Repayment of loans		612	651
Purchase of financial assets	*F5*	(18,159)	(12,334)
Sale price of financial assets		0	8,041
Interests received		1,085	10,483
Sale price from assets intended for disposal or sale		0	0
Other flows from assets intended for disposal or sale		(99)	(221)
Public grants received		8,437	985
Dividends from equity investments		0	2,594
Cash flow from investments		(50,425)	(39,841)
Financing			
Share capital increase by Group's shareholders	*G1*	0	0
Increase in share capital by third parties	*G1*	0	253
Purchase of treasury stock		(868)	(4,339)
Collection related to the issue of convertible bonds		0	0
Loans received		219,381	28,528
Outflow for repayment of loans		(94,058)	(46,728)
Finance leases received		0	174
Repayment of finance leases		(420)	(396)
Outflow for dividends paid to Parent company Shareholders	*G1 - N*	0	(10,296)
Outflow for dividends paid to Minority Interest		(9,383)	(9,802)
Cash flow from financing		114,652	(42,606)
Increase / (Decrease) in cash and cash equivalents		122,505	(52,911)
Opening balance		16,403	106,470
Exchange differences		152	335
Closing balance		139,060	53,894

This schedule illustrates the changes in cash and cash equivalents, net of short-term bank overdrafts totalling 29.8 million euros at 30 June 2009.

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY AT 30 JUNE 2009

Amounts in thousands of euros

	Share capital	*Reserves and retained earnings*	*Earnings for the period*	*Group shareholders' equity*	*Minority interest capital and reserves*	*Group and minority interest shareholders' equity*
Balances at 31 December 2007	***178,464***	***193,412***	***32,716***	***404,592***	***262.175***	***666,767***
Increases in share capital against payment				0	253	253
Allocation of Group earnings to Legal Reserve		558	(558)	0		0
Allocation of Group earnings to Dividends			(10,296)	(10,296)	(9.802)	(20,098)
Allocation of Group earnings to Retained Earnings		21,862	(21,862)	0		0
Purchase of treasury stock	(957)	(2,186)		(3,143)	(1.196)	(4,339)
Measurement of "War. '04/'09", "EMH '04/'09" and "Aprilia shareholder instruments "				0	(62.450)	(62,450)
Figurative cost of stock options		510		510	365	875
Other changes		(82)		(82)	(7.728)	(7,810)
Total of comprehensive income (losses) for the period		(25,971)	26,316	345	14.849	15,194
Balances at 30 June 2008	***177,507***	***188,103***	***26,316***	***391,926***	***196,466***	***588,392***

	Share capital	*Reserves and retained earnings*	*Earnings for the period*	*Group shareholders' equity*	*Minority interest capital and reserves*	*Group and minority interest shareholders' equity*
Balances at 31 December 2008	***177,076***	***203,391***	***14,212***	***394,679***	***190,704***	***585,383***
Increases in share capital against payment				0		0
Allocation of Group earnings to Legal Reserve		862	(862)	0		0
Allocation of Group earnings to Dividends		0	0	0	(9,383)	(9,383)
Allocation of Group earnings to Retained Earnings		13,350	(13,350)	0		0
Purchase of treasury stock		(500)		(500)	(368)	(868)
Measurement of "War. '04/'09", "EMH '04/'09" and "Aprilia shareholder instruments "				0		0
Figurative cost of stock options		584		584	431	1,015
Other changes		103		103	5,235	5,338
Total of comprehensive income (losses) for the period		4,156	4,311	8,467	7,401	15,868
Balances at 30 June 2009	***177,076***	***221,946***	***4,311***	***403,333***	***194,020***	***597,353***

EXPLANATORY NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2009

- A - GENERAL ASPECTS

Immsi S.p.A. (the Company) is a limited company established under Italian law and has registered offices in Mantova - P.za Vilfredo Pareto, 3 Centro Direzionale Boma. The main activities of the company and its subsidiaries (the Immsi Group), the information on the relevant events occurred after 30 June 2009 and on the predictable evolution of operations are described in the Interim Management Report. At 30 June 2009, Immsi S.p.A. was directly controlled by Omniainvest S.p.A., a company owned by Omniaholding S.p.A..

The half-year condensed financial statements of the Immsi Group include the financial statements of the Parent company Immsi S.p.A. and the Italian and international companies directly and indirectly controlled by it, approved by the relevant corporate functions of the respective companies, suitably reclassified and adjusted where necessary to adapt them to the Group's accounting principles.
The financial statements are expressed in euros since that is the currency in which most of the Group's transactions take place.
The amounts in the above schedules and in the Explanatory Notes to the financial statements are stated in thousands of euros (if not otherwise indicated).

Note that the Group carries out activities that, with main reference to the industrial sector, are characterized by significant seasonal changes of sales during the year.

These half-year condensed financial statements are subject to limited audit by Deloitte & Touche S.p.A. pursuant to the mandate granted by the Shareholders' Meeting in 12 May 2006 for the period 2006-2011.

CONFORMITY WITH INTERNATIONAL ACCOUNTING STANDARDS

The half-year condensed financial statements are drawn up in accordance with the International Financial Reporting Standards (IAS/IFRS), valid at the date, issued by the International Accounting Standards Board and approved by the European Commission, as well as he provisions issued in implementation of art.9 of the Ital.Legisl.Decree 38/2005 (Consob Deliberation no. 15519 of 27 July 2006 stating "Instructions on the subject of outlines for financial statements", Consob Deliberation no. 15520 of 27 July 2006 stating "Changes and integration to the Issuers Regulations implemented with Deliberation no. 11971/99", Consob Communication no. 6064293 of 28 July 2006 stating "Company information required in accordance with art. 114, paragraph 5 of Legislative Decree no. 58/98"). In addition taking account of the interpretations of the *International Financial Reporting Interpretations Committee* ("IFRIC"), previously called *Standing Interpretations Committee* ("SIC").

This half-year condensed financial report has been prepared in accordance with IAS 34 - *Interim Financial Reporting* applying the same accounting principles and policies used in the preparation of the Consolidated financial statements at 31 December 2008, other than those discussed in the following paragraph "Accounting principles, amendments and interpretations adopted from 1 January 2009".

The preparation of the interim financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities recorded and disclosure of contingent assets and liabilities at the date of the end of the period. If in the future such estimates and assumptions, carried out by the management, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change.

In addition, some evaluative processes, particularly the more complex ones such as the determination of any losses in value of fixed assets, are generally carried out completely only at the time of drawing up the annual financial statements, when all the potentially necessary information is available, saving the cases in which there are indicators that require immediate evaluation of possible losses of value.

CONTENT AND FORM OF THE CONSOLIDATED ACCOUNTING STATEMENTS

Further to the revision of IAS 1 – *Presentation of financial statements*, the Group has chosen to present all non-owner changes in equity in two statements showing performance for the period, titled “Consolidated income statement” and “Consolidated statement of comprehensive income”, respectively. The present half-year condensed Financial statements are therefore composed of the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Statement of Consolidated Financial Position, the Statement of Changes in Consolidated Shareholders' Equity, the Statement of Cash Flows and these Explanatory Notes.

With reference to Consob Resolution no. 15519 of 27 July 2006 it is pointed out that, as regards the financial schedules, specific Income statement and Statement of Financial Position have been inserted to evidence significant related party dealings and non-recurring transactions. It is pointed out that no atypical or unusual operations have been carried out during the first half of 2009.

Consolidated Income Statement
The consolidated income statement is presented with the items classified by their nature. Overall operating earnings include all the income and cost items, irrespective of their repetition or fact of falling outside normal operations, except for the items of financial operations included under operating earnings and earnings before tax. In addition, the income and cost items arising from assets that are intended for disposal or sale, including any capital gains or losses net of the tax element, are recorded in a specific balance sheet item which precedes the Earnings for the period including minority interest.

Consolidated Statement of Comprehensive Income
The consolidated statement of comprehensive income is presented in accordance with the provisions of reviewed version of IAS 1. It reports the Net income attributable to the shareholders of the parent company and the minority shareholders.

Statement of Consolidated Financial Position
The statement of consolidated assets and liabilities is presented in facing sections with separate indications of the Assets, Liabilities and Shareholders' Equity.
In their turn the Assets and Liabilities are given in the consolidated accounting situation on the basis of their classifications as current and non-current.

Statement of Consolidated Cash Flows
The statement of consolidated cash flows is presented divided into areas generating cash flows. The statement of cash flows implemented by the Immsi Group has been drawn up by applying the indirect method. The cash and cash equivalents included in the financial account include the asset balances of this item at the date of reference. The financial flows in foreign currency have been converted at the average exchange rate of the period. The proceeds and the costs related to interest, received dividends and corporate income taxes are included in the financial flows produced by the operational management.

Statement of Changes in Consolidated Shareholders’ Equity
Starting 1 January 2009, the statement of the Changes to the consolidated Shareholders’ Equity has been reviewed as required by the reviewed version of IAS 1. It includes the total income

statement, separately stating the amounts ascribed to the shareholders of the parent company and to the relevant stake of third parties, the amounts of the operations with shareholders acting in this quality and any effects of the retroactive application or of the retroactive determination in accordance with IAS 8. For each item a reconciliation is presented between the balance at the start and at the end of the period.

- B - CONSOLIDATION AREA

At 30 June 2009, the Immsi Group structure is the one attached at the end of the Explanatory Notes.
The area of consolidation has not changed significantly compared to the consolidated financial statements at 31 December 2008 and the consolidated accounting situation at 30 June 2009. In particular, the effects of the closure of the procedure of liquidation of Aprilia Moto UK Ltd do not alter the comparability of the balance sheet and income results between the two periods of reference. In addition, at the end of the year 2008 the Immsi Group was joined by the companies Immsi Audit S.c.a.r.l. and ISM Investimenti S.p.A., whose components of assets and income do not basically alter the comparability of the periods being compared.

- C - CONSOLIDATION PRINCIPLES

Please refer to the supplementary and Explanatory Notes on the consolidated financial statements at 31 December 2008 for details on the principles of consolidation implemented by the Company for drawing up the half-year condensed financial statements of the Immsi Group.

- D – ACCOUNTING PRINCIPLES, AMENDMENTS AND INTERPRETATIONS ADOPTED FROM 1 JANUARY 2009

The accounting standards implemented in drawing up these abbreviated half-year financial statements of the Immsi Group are the same ones followed in drawing up the consolidated financial statements at 31 December 2008 to which we refer you for further details. The standards, amendments and interpretations applied by the Group since 1 January 2009 are listed below.

IAS 1 Revised – presentation of financial statements
The revised version of IAS 1 – *Presentation of financial statements*, that is applicable as of 1 January 2009, requires the company to present all the variations from transactions with shareholders in a statement of the variations in shareholders' equity. All the transactions generated with third parties must instead be stated in a separate statement of “comprehensive income” or in two statements (income statement and statement of “comprehensive income”). In any case the variations produced by transactions with third parties cannot be reported in the statement of the changes to shareholders’ equity.
The Group has applied the revised version of the principle as of 1 January 2009 and in a retroactive manner, choosing to highlight all changes generated from transactions with non-shareholders in two statements measuring trends of the period and respectively named "Consolidated Income Statement" and " Consolidated Statement of Comprehensive Income". The Group subsequently modified the presentation of the "Statement of Changes in Consolidated Shareholders' Equity".

Moreover, it is pointed out that an amendment to the revised version of IAS 1 has been implemented which requires an entity to classify derivative financial instruments that are not held for the purposes of the trading between current and non-current assets and liabilities in the statement of financial position. Adopting this amendment did not lead to any effect on the presentation of derivative financial instruments in the statement of financial position.

Amendment to IFRS 2 – Maturity and cancellation conditions
The amendment states that - for the purposes of assessing remuneration instruments based on stock - only service and performance conditions can be considered to be maturity conditions for the plans. Any other potential clauses relative to the maturity of the plans must therefore be included within the fair value assessment of the grant dates and must not be considered when determining the number of rights which, on that date and in subsequent valuations, the company expects to mature. The amendment also specifies that the same accounting treatment should be applied, also in case an entity cancels a grant of equity instruments.
The Group has applied the amended version of the principle as of 1 January 2009 in a prospective manner: its application, however, has not resulted in accounting effects for the Group.

Improvement to IAS 19 – Employee benefits
The amendment clarifies the definition of cost/income relative to past services rendered by employees and it establishes that in case of reduction of a plan, the effect to be immediately posted to the income statement should only include the reduction of benefits relative to future periods, whereas the effect arising from possible reductions due to past service periods, should be held as a negative cost relative to past services rendered by the employees. The Group has applied the improved version of the principle as of 1 January 2009 in a retroactive manner: its application, however, has not resulted in accounting effects for the Group.

Improvement to IAS 23 – Borrowing costs
In the new version, it was removed the option according to which companies can post immediately to income statement the financial charges incurred due to assets for which usually a determined period of time is required to prepare such assets ready for use or sale.

Improvement to IAS 28 – Investments in associates
The amendment establishes that in case of equity investment evaluated with the equity method, a possible impairment should not be allocated to single assets (and in particular to potential goodwill) that form the equity's book value, but to the value of the equity as a whole. Therefore, in the presence of conditions for a subsequent revaluation, such revaluation should be recognised in full.
In accordance with the provisions of the transition rules of the amendment, the Group has applied - in a prospective manner - the new accounting principle to the value re-instatements applied as of 1 January 2009. However, its application did not result in accounting effects for the Group given that the Group did not book - during the half year - any value-reinstatements of goodwill relative to the book values of shareholdings.
In addition, it should be noted that certain requests for information for shareholdings in affiliated and joint venture companies - which were evaluated at fair value according to IAS 39 - have been modified along with IAS 31 - *Shareholdings in joint ventures* and the amendment of IFRS 7 - *Financial instruments: disclosures* and IAS 32 - *Financial instruments: presentation* were modified.

Improvement to IAS 38 – Intangibile assets
The modification provides for the recognition of promotional and advertising costs within the income statement. It also establishes that in case the enterprise incurs charges from which future economic benefits are expected without being recorded as intangible assets, these should be posted to the income statement when the enterprise itself has the right to access the goods, if it is the purchase of goods, or when the service is rendered, if it is the purchase of services. Finally, the standard was modified to enable the enterprises to adopt the method of the produced units to determine the amortization of finite life intangible assets.
The Group has applied the adjusted version of the principle as of 1 January 2009 in a retroactive manner: its application, however, has not resulted in accounting effects for the Group.

Amendments and interpretations effective from 1 January 2009 but not applicable to the Group

The following amendments, improvements and interpretations have also been issued and are effective from 1 January 2009, relating to matters that were not applicable to the Group at the date of this half-year financial report:

- *IAS 16 – Property, plant and equipmen*t: the change establishes that the companies whose characteristic business is renting must reclassify the goods in the warehouse that stop being rented and are intended for sale. As a result, the consideration deriving from their transfer must be recognized as revenues. The consideration paid to build or purchase goods to allocate to others, as well as the consideration collected from the following sale of such goods, is, for the purposes of the financial account, cash flows deriving from operating activities (and not investment activities);

- *Improvement to IAS 20 – Accounting and disclosure for Government Grants*: the change, that must be applied in a perspective way as of 1 January 2009 establishes that the benefits deriving from loans granted by the government at a much lower interest rate than that of the market must be treated as public grants and therefore follow the rules of recognition established by IAS 20. The previous version of the standard required no benefits to be separately recognised in the case of a government loan received as a grant at a below-market rate of interest; the loan was accordingly recognised at the amount of the proceeds received and recognised the lower interest expense on such loans directly in income statement as Financial income (charges). In accordance with the transition rules, the new accounting standard must be adopted as of 1 January 2009 to government loans obtained as from that date at below-market rates. For such loans, on disbursement the Group recognises the loan at its fair value and deferred income for the amount corresponding to the benefit yet to be received of obtaining the loan at a below-market interest rate (namely the grant, the difference between the fair value of the loan and the amount received). This benefit must be then recognised in income when and only when all conditions for the grant to be recognised are satisfied, on a systematic basis over the periods necessary to match the income with the costs which it is intended to offset;

- *IAS 29 – Financial reporting in hyperinflationary economies*: the preceding version of the standard did not reflect the fact that some assets and liabilities could be valued in the financial statements on the basis of the current value rather than the historical cost;

- *IAS 32 – Financial instruments*: particularly, the standard requires companies to classify puttable financial instruments and financial instruments that require the company to deliver a stake in the assets of the company to a third party as instruments of equity;

- *IAS 36 – Impairment of Assets*: the change requires that additional information be supplied in the case in which the company determines the recoverable value of the cash generating unit using the discounted cash flows method;

- *IAS 39 – Financial Instruments: recognition and measurement*: the amendment clarifies how the new actual interest rate of a financial instrument must be calculated at the end of fair value hedge. In addition, it clarifies that the prohibition on reclassification in the category of financial instruments with adjustment of the fair value to the income statement must not be applied to the derivative financial instruments that can no longer be qualified as hedging or that instead become hedging instruments;

- *IAS 40 – Investments property*: the change establishes that real estate investments under construction come within the sphere of application of IAS 40 rather than in that of IAS 16;

- IFRIC 13 – *Customer Loyalty Programmes*;
- IFRIC 15 – *Agreements for the construction of real estate*;
- IFRIC 16 – *Hedging a shareholding in a foreign company*.

Accounting principles, amendments and interpretations not yet applicable and not early adopted by the Group

On 10 January 2008 IASB issued an updated version of IFRS 3 – *Business combinations*. The main changes made to IFRS 3 pertain particularly to the elimination of the obligation to evaluate the single assets and liabilities of the subsidiary at fair value in every following acquisition, in the case of acquisition by degrees of subsidiary companies. The goodwill in such cases will be determined as the differential between the value of the share immediately prior to acquisition, the consideration of the transaction and the value of the acquired net assets. In addition, if the company does not purchase 100% of the shares, the portion of net equity of third parties can be valued both at fair value and using the method already required by IFRS 3. The revised version of the standard requires moreover ascribing all the costs associated with the business aggregation to the income statement and collecting the data at the date of the acquisition for payments subject to the acceptance condition.

At the same date it also amended IAS 27 – *Consolidated and Separate Financial Statements* establishing that changes to the portion of profit-sharing that are not a loss of control must be treated as equity transactions and therefore must be set off to shareholders' equity. In addition, it is established that when a company surrenders control in one of its subsidiaries but continues however to hold a stake of capital in the company it must evaluate the shareholding kept in the financial statements at fair value and ascribe any profits or losses deriving from the loss of control to the income statement. Finally the amendment to IAS 27 requires that all the attributable losses to minority shareholders be allocated to the portion of shareholders' equity of third parties, even when these exceed their portion of capital in the subsidiary. The new rules will be applicable in a perspective manner as of 1 January 2010.
On the date of issue of this Half-year condensed financial statements, the relevant bodies of the European Union have not yet concluded the necessary process of type-approval for applying this amendment.

On 22 May 2008 the IASB issued a change to IFRS 5 – *Non-current assets intended for sale and ceased operational activities*, which establishes that if a company is engaged in a transfer plan that involves losing the control of a subsidiary, all the assets and liabilities of the subsidiary must be reclassified among the assets intended for sale, even if after the transfer the company will still hold a minority stake in the subsidiary. This change must be applied in a perspective way as of 1 January 2010.

On 31 July 2008 the IASB issued an amendment to IAS 39 – *Financial Instruments – recognition and measurement*, which clarifies the application of the principle in order to define the underlying asset subject to hedging under specific circumstances. This modification must be applied as of 1 January 2010 in a prospective manner.
At the date of issue of these condensed half-year financial Statements, the competent bodies of the European Union had not yet completed the process of approval necessary for its application.

On 27 November 2008, IFRIC issued the interpretation, IFRIC 17 - *Distribution of non-liquid assets* which clarifies that a payable for dividends must be recognised when dividends are appropriately authorised and that this payable must be valuated at the fair value of the net assets which will be utilised for payment. The interpretation is applicable in a prospective manner as of 1 January 2010. At the date of issue of these condensed half-year financial statements, the competent bodies of the European Union had not yet completed the process of approval necessary for its application.

On 29 January 2009, IFRIC issued the interpretation of IFRIC 18 - *Transfer of assets of customers* which clarifies the booking methods which must be adopted if the company stipulates a contract in which it receives tangible goods from one of its customers that must be utilised to connect a customer to a network or to provide a specific type of access for the supply of goods and services. The interpretation is applicable in a prospective manner as of 1 January 2010. At the date of issue of these condensed half-year financial statements, the competent bodies of the European Union had not yet completed the process of approval necessary for its application.

On 5 March 2009, the IASB issued an amendment to principle IFRS 7 - *Supplementary information on financial instruments* in order to increase the levels of disclosure in the case of fair value valuations and to strengthen existing principles in relation to informational disclosures on liquidity risks of financial instruments. The amendment is applicable as of 1 January 2009. At the date of issue of these condensed half-year financial statements, the competent bodies of the European Union had not yet completed the process of approval necessary for its application.

On 12 March 2009, the IASB issued an amendment to IFRIC 9 - *Redetermination of the value of incorporated derivatives* and to IAS 39 - *Financial Instruments: recognition and valuation* which allows certain financial instruments to be re-classified outside of the accounting category which is "*booked at fair value and offset in the income statement*". These amendments clarify that – during the re-classification of a financial instrument outside of the abovementioned category - all implicit derivatives must be valuated and, if necessary, booked separately in the financial statements. The amendments are applicable as of 31 December 2009. At the date of issue of these condensed half-year financial statements, the competent bodies of the European Union had not yet completed the process of approval necessary for its application.

On 16 April 2009, IASB issued a set of amendments to the IFRS; only those involving changes in the presentation, booking and valuation for financial statement items are cited:

- *IFRS 2 – Share-based payment*: this amendment, applicable as of 1 January 2010, clarified that the transfer of a company branch for the purposes of forming a joint venture or grouping of companies or company branches under joint control do not fall within the realm of applicability of IFRS 2;

- *IFRS 5 – Non-current assets available for sale and discontinued operations*: this amendment, applicable as of 1 January 2010 in a prospective manner, clarified that IFRS 5 and the other IFRS which specifically refer to non-current assets classified as available for sale or as discontinued operations provide all required information for this type of assets or operations;

- *IFRS 8 – Operating segments*: the amendment, applicable as of 1 January 2010, requires that companies provide the total value of assets for each sector subject to informational disclosure if this value is provided at the highest level of operational decision-making. This information was previously requested even in the absence of this condition. Adoption of the principle in advance is allowed;

- *IAS 1 – Presentation of financial statements*: the amendment, applicable as of 1 January 2010, clarifies that an enterprise must classify a liability as current if it does not have an unconditional right to postpone its settlement for at least 12 months after the close of the year, also when there is an option of the counterparty that could translate into a settlement with the issue of equity instruments*;*

- *IAS 7 – Statement of cash flows*: the amendment, applicable as of 1 January 2010, clarifies that only cash flows deriving from expenses resulting in the booking of assets within the balance sheet can be classified within the cashflow statement as deriving from investment assets; on the other hand, cash flows deriving from expenses which do not result in the booking of an asset must be classified as derived from operating activities;

- *IAS 17 – Leases*: the amendment requires that in the evaluation of a leasing contract that includes both land and buildings, the part related to the land is normally considered as financial leasing if the land in question has an indefinite useful life, since in this case the risks connected with its use for the duration of the contract can be considered to be transferred to the leaseholder. The amendment is applicable as of 1 January 2010. On the date of adoption, all lands subject to the leasing contract which were previously effective and not yet expired must be separately valuated with the potential retroaction recognition of a new finance lease;

- *IAS 36 – Impairment of assets*: this amendment, applicable in a prospective manner as of 1 January 2010, requires that each operational unit or group of operational unit – for which goodwill is allocated for the purposes of impairment tests - be no greater in size than the operational sector defined in paragraph 5 of IFRS 8 and before the grouping allowing by paragraph 12 of the same IFRS on the basis of similar economic conditions or other similar elements;

- *IAS 38 – Intangible assets*: this principle was amended following the adjustment to IFRS 3 in 2008 which established that there is sufficient information to assess the fair value of an intangible asset acquired during the course of company grouping if it is separable or originates from contractual or legal rights. The amendment in question also clarified the valuation techniques which must be utilised to valuate the fair value of intangible assets for which there is no active market of reference. The amendment is applicable in a prospective manner as of 1 January 2010. However, in the case of advance adoption of the adjusted IFRS 3, it must also be applied in advance;

- *IAS 39 – Financial instruments: recognition and measurement*: the amendment restricts the exception of non-applicability contained within paragraph 2g of IAS 39 to forward contracts between a buyer and a selling shareholder - for the purposes of the sale of a company in a company grouping on future date of acquisition - if the completion of the company grouping only depends on the elapsing of a suitable amount of time. The amendment decrees that option rights (currently exercisable or not) which allow one of the two parties to retain control over the realisation or non-realisation of future events - and whose exercising involving the control of a company - fall within the realm of applicability of IAS 39. The amendment also clarifies that the implicit penalties for the advance redemption of loans - whose price compensates the lender with the loss of additional interest - must be considered strictly correlated to the financing contract and may therefore not be booked separately. Finally, the amendment provides that net income or losses on one hedged financial instrument must be re-classified from the shareholders' equity to the income statement in the period in which the expected and hedged cash flow has an effect on the income statement. The amendment is applicable in a prospective manner as of 1 January 2010. Adoption of the principle in advance is allowed;

- *IFRIC 9 – Redetermination of the values of embedded derivatives*: the amendment, applicable in a prospective manner as of 1 January 2010, excludes - from the realm of applicability of IFRIC 9 - the implicit derivatives within contracts acquired during the course of company groups at the time of the creation of jointly controlled companies or joint ventures. At the date of issue of these abbreviated half-year financial Statements, the competent bodies of the European Union had not yet completed the process of approval necessary for the application of the amendments described above.

On the date of issuing this Half-year condensed financial report, the relevant bodies of the European Union have not yet concluded the necessary process of type-approval for applying the above amendments.

In the month of June 2009, the IASB issued an amendment to IFRS 2 - *Payments based on shares: payments based on shares of the Group in cash*. The amendment defines its realm of application and its relationship with other accounting principles. In particular, the amendment clarifies that the company which receives the goods and services as part of the payment plans based on shares must book these goods and services independently of the company of the Group which settles the transaction and independently of the fact that the settlement is in cash or shares. In addition, it states that the term "group" is to be interpreted as in IAS 27 - *Consolidated and separate financial statements,* including the parent company and its subsidiaries. Finally, the amendment specifies that a company must valuate the goods and services which are received as part of a transaction settled in cash or shares from its own perspective and which could potentially not coincide with that of the group and with the relative amount recognised within the consolidated financial statements. The amendment incorporates the guidelines which were previously included in IFRIC 8 and IFRIC 2; as a result, the latter were removed. The amendment is applicable as of 1 January 2010.

- E - SEGMENT REPORTING

The application of IFRS 8 – *Operating Segments* is obligatory beginning from 1 January 2009. The standard requires the operating segments to be identified on the basis of the internal reporting system that the company's top management uses in allocating resources and to evaluate performance.
The preceding standard IAS 14 – *Segment Reporting*, instead required identification of the segments (primary and secondary) on the basis of the risks and benefits referable to the segments themselves; the system of reporting was only a base from which to start this identification.

The reporting by operating segments presented hereunder substantially mirrors the internal reporting used by the management in taking strategic decisions.

Income statement

In thousands of euros	*Property and holding sector*	*Industrial sector*	*Naval sector*	*Immsi Group*
Net revenues to third parties	2,420	795,626	64,844	862,890
Net intercompany revenues				0
NET REVENUES	**2,420**	**795,626**	**64,844**	**862,890**
OPERATING EARNINGS	**-2,860**	**61,576**	**-5,777**	**52,939**
Gain / loss on equity investments	0	171	0	171
Financial income				6,639
Financial charges				29,669
EARNINGS BEFORE TAXATION				**30,080**
Taxation				18,656
EARNINGS AFTER TAXATION FROM CONTINUING ASSETS				**11,424**
Gain (loss) from assets intended for disposal or sale				0
EARNINGS FOR THE PERIOD INCLUDING MINORITY INTEREST				**11,424**
Minority interest earnings for the period				7,113
GROUP EARNINGS FOR THE PERIOD				**4,311**

Balance sheet

In thousands of euros	*Property and holding sector*	*Industrial sector*	*Naval sector*	*Immsi Group*
Segment assets	386,372	1,671,247	291,193	2,348,812
Equity investments in associated companies	0	229	19	248
TOTAL ASSETS	**386,372**	**1,671,476**	**291,212**	**2,349,060**
TOTAL LIABILITIES	**194,793**	**1,269,073**	**287,841**	**1,751,707**

Other information

In thousands of euros	*Property and holding sector*	*Industrial sector*	*Naval sector*	*Immsi Group*
Investments in tangible and intangible assets	**726**	**46,838**	**1,358**	**48,922**
Depreciation, amortisation and write-downs	**380**	**46,527**	**2,308**	**49,215**
Cash flow from operations	**-20,031**	**79,712**	**-1,403**	**58,278**
Cash flow from investments	**5,746**	**-63,946**	**7,775**	**-50,425**
Cash flow from financing	**11,403**	**99,846**	**3,403**	**114,652**

Information by geographical areas

The following table presents the Group income statement and balance sheet figures for the first half of 2009 in relation to the geographical areas "of origin", that is, with reference to the country of the company which received the revenues or which owns the assets.
Distribution of revenues by the geographical area of "destination", that is, with reference to the customer's country, is analysed in the comments to this Note under the Income statement items.

Income statement

In thousands of euros	*Italy*	*Rest of Europe*	*India*	*United States*	*Rest of the World*	*Immsi Group*
Net revenues to third parties	579,102	101,686	127,669	35,415	19,018	862,890
Net intercompany revenues						0
NET REVENUES	**579,102**	**101,686**	**127,669**	**35,415**	**19,018**	**862,890**

Balance sheet

In thousands of euros	*Italy*	*Rest of Europe*	*India*	*United States*	*Rest of the World*	*Immsi Group*
Segment assets	2,011,284	142,856	115,390	37,242	42,040	2,348,812
Equity investments in associated companies	200	3			45	248
TOTAL ASSETS	**2,011,484**	**142,859**	**115,390**	**37,242**	**42,085**	**2,349,060**

In thousands of euros	*Italy*	*Rest of Europe*	*India*	*United States*	*Rest of the World*	*Immsi Group*
Total receivables	**216,820**	**87,008**	**12,823**	**5,979**	**16,362**	**338,992**
Total payables	**541,140**	**103,153**	**53,138**	**5,242**	**45,220**	**747,893**

Other information

In thousands of euros	*Italy*	*Rest of Europe*	*India*	*United States*	*Rest of the World*	*Immsi Group*
Investments in tangible and intangible assets	**29,752**	**1,400**	**14,700**	**100**	**2,970**	**48,922**
Depreciation, amortisation and write-downs	**43,977**	**2,580**	**1,481**	**357**	**820**	**49,215**

- F - INFORMATION ON THE MAIN ASSET ITEMS

Amounts are stated in thousands of euros unless otherwise indicated.

- F1 - INTANGIBLE ASSETS 824,878

Net intangible assets at 30 June 2009 total 824,878 thousand euros, a 2,594 thousand euros decrease compared to 31 December 2008, as detailed below:

In thousands of euros	Gross amounts				
	Balance at 31.12.2008	***Increases***	***Change in consolidation area***	***Other movements***	***Balance at 30.06.2009***
Development costs	221,843	23,420	0	(8,839)	236,424
Concessions, patents, industrial and similar rights	134,246	1,824	0	(3,461)	132,609
Trademarks and licences	173,828	0	0	(11)	173,817
Software	919	6	0	159	1,084
Goodwill	617,415	834	0	(2,733)	615,516
Other intangible assets	6,051	1,258	0	(151)	7,158
TOTAL	1,154,302	27,342	0	(15,036)	1,166,608

The table below illustrates the changes in amortisation relating to the above items:

In thousands of euros	Accumulated amortisation					Net amounts
	Balance at 31.12.2008	***Amortisation***	***Change in consolidation area***	***Other movements***	***Balance at 30.06.2009***	***Balance at 30.06.2009***
Development costs	128,374	16,820	0	(8,566)	136,628	99,796
Concessions, patents, industrial and similar rights	115,968	5,162	0	(3,561)	117,569	15,040
Trademarks and licences	74,155	4,597	0	0	78,752	95,065
Software	851	39	0	0	890	194
Goodwill	3,433	0	0	0	3,433	612,083
Other intangible assets	4,049	445	0	(36)	4,458	2,700
TOTAL	326,830	27,063	0	(12,163)	341,730	824,878

N.B.: The "Other movements" heading includes the reductions for fully amortised intangible assets, translation differences relating to financial statements in foreign currencies, reclassifications and write-downs.

Development costs

Development costs include costs for products and engines in projects for which there is an expectation for the period of the useful life of the asset to see net sales at such a level as to allow the recovery of the costs incurred. This item includes assets under construction for 39,670 thousand euros which instead represent costs for which the conditions for capitalisation exist, but in relation to products that will go into production in future years. The costs of development recorded under this item are amortized in constant quotas, in 3 years, in consideration of their residual utility.

The projects capitalized by the Piaggio group during the first half of 2009 mainly refer to the new models Aprilia RSV4, MP3 Hybrid, new Beverly, and Vespa LX and GTS with electronic injection. During the half the Piaggio group has capitalized in the intangible assets 23.4 million euros and registered costs of development for around 12.1 million euros directly in the income statement.

As regards the naval sector, the activities of research and development continued in the period, particularly through the company Rodriquez Cantieri Navali S.p.A., for the construction of the projects and prototypes called Submerged Hydrofoil ("*Ala Immersa*") and Aliswath. Costs were sustained during the first half of 2009 for 0.8 million euros, which was partly capitalized under the intangible assets (design costs), partly accounted under inventories as they concern the construction of the prototypes deriving from the projects and partly accounted in the income statement compensating for the contributions. For the above projects, 8.1 million euros were capitalized at 30 June 2009 in the intangible assets net of amortization and deferred income and 22.7 million euros in inventories for the value of the prototypes under construction.

Concessions, industrial patents, software, intellectual rights and similar rights

The Piaggio group has recorded 15,018 thousand euros chiefly composed of software (10,622 thousand euros) and patents and know how (4,391 thousand euros) mostly related to the Vespa, MP3 and GP800 products. This item comprises assets under construction for 3,025 thousand euros.

The increases of the period mainly refer, as regards the software, to the implementation of the SAP application in the Indian subsidiary.

Trademarks and licences

The trademarks and licences with a finite life item, totalling 95,065 thousand euros, is as follows:

	Net Value at 30 June 2009	Net Value at 31 December 2008
Guzzi brand	31,992	33,515
Aprilia brand	62,863	65,856
Laverda brand	77	155
Minor brands	133	147
Total brands	95,065	99,673

The gross value of the Aprilia brand is 89,803 thousand euros, while that of Moto Guzzi is 36,559 thousand euros.

The values of the Aprilia and Moto Guzzi brands are based on the investigation of an independent third party carried out in 2005. These brands are amortised over a period of 15 years.

Other intangible assets

The "Other intangible assets with a finite life" item, totalling 2,700 thousand euros, includes mainly charges held by Piaggio group to obtain the permission from the Vietamese Government for the new plant.

Goodwill

The composition of goodwill is detailed in the following table:

In thousands of euros	Net balance at 31.12.2008	Increases / Decreases	Net balance at 30.06.2009
Acquisition of 100% of Piaggio & C. S.p.A. by Piaggio Holding N. BV (in 2003)	405,985		405,985
Acquisition of 2.81% of Piaggio & C. S.p.A. by Piaggio Holding N. BV (in 2006)	14,620		14,620
Acquisition of 31.25% of Piaggio Holding N. BV by Immsi S.p.A. (in 2003)	3,480		3,480
Acquisition of 5.23% of Piaggio & C. S.p.A. by Immsi S.p.A. (in 2004) / Sale of 2.32% and 1.97% of Piaggio & C. S.p.A. by Immsi S.p.A. (in 2008 and 2009 respectively)	3,643	(2,733)	910
Acquisition of 17.7% of Piaggio Holding N. BV by Immsi S.p.A. (in 2004 and 2006)	64,756		64,756
Acquisition of 2.86% of Piaggio & C. S.p.A. by Immsi S.p.A. (in 2007, 2008 and 2009)	7,143	85	7,228
Acquisition of 100% of Aprilia S.p.A. by Piaggio & C. S.p.A. (in 2004)	79,705	503	80,208
Acquisition of 66.49% of Rodriquez S.p.A. by RCN Finanziaria S.p.A. (in 2004)	30,337		30,337
Acquisition of 33.51% of Rodriquez S.p.A. by RCN Finanziaria S.p.A. (in 2005)	2,001		2,001
Acquisition of 2.37% of RCN Finanziaria S.p.A. by Immsi S.p.A. (in 2007)	1,286		1,286
Other acquisitions / changes	1,026	246	1,272
TOTAL	**613,982**	**(1,899)**	**612,083**

Goodwill derives from the greater value paid compared to the corresponding portion of the investee companies' shareholders' equity at the time of the purchase, reduced by the related cumulative amortisation until 31 December 2003. During first-time adoption of the IFRS, in fact, the Group chose not to apply IFRS 3 "Business combinations" retroactively to company acquisitions prior to 1 January 2004; consequently, the goodwill generated on acquisitions prior to the IFRS transition date was maintained at the previous value, calculated in accordance with Italian accounting standards, subject to verification and the recording of any impairment.
As already stated, as of 1 January 2004 goodwill is no longer amortised, but is annually, or more frequently if specific events or changed circumstances indicate the possibility of it having been impaired, subjected to tests to identify any impairment, in accordance with the provisions of IAS 36 "Impairment of assets".

The decrease recorded in the period, equal to 1,899 thousand euros, is due:

- for around 503 thousand euros to the evaluation of the financial instruments tied to the acquisition of the Aprilia group (as detailed herein);
- for around 85 thousand euros to the purchase on the MTA of shares of Piaggio & C. S.p.A. by the Parent Company (for a total of 2,541,900 shares purchased in the period, equal to approximately 0.6% of the share capital);
- for around 246 thousand euros for capitalisation of consultancy fee referred to the incorporation of the company ISM Investimenti S.p.A. and further disposal of the shareholding held by the Parent company in Is Molas S.p.A. on December 2008.

Such increases have only partially offset the reduction equal to approximately 2,733 thousand euros deriving from the sale by the Parent Company of 7,800,990 shares of Piaggio & C. S.p.A. (equal to approximately 2% of the share capital), performed at the beginning of January.

With reference to the aforesaid evaluation of the financial instruments related to the purchase of the Aprilia group (December 2004), it should be remembered that, within the framework of the agreements related to this acquisition, Piaggio & C. S.p.A. had issued warrants and financial instruments for the creditor banks of Aprilia and the selling shareholders, exercisable in periods determined by the respective regulations starting from the approval of the consolidated financial statements at 31 December 2007. Please refer to the Explanatory and Additional Notes on the consolidated financial statements contained in the Report of the Directors and Financial Statements of the Immsi Group at 31 December 2008 for details on the main future commitments associated with the warrants and the financial instruments in question.

In April 2009 the remaining 41 warrants were exercised that according to the report of an independent valuer resulted in liquidation by cash of a value of 199,960 euros settled in the month of July 2009.
The adjustment of initial the purchase cost connected with the payment of the Warrants and of the EMH 2004/2009 Financial Instruments equal to 70,706 thousand euros has been charged to goodwill. In addition, also the rectification of the cost of initial purchase was registered in goodwill, correlated to the Instruments of Aprilia Shareholders estimated at 9,502 thousand euros as considered probable in the light of the actual results and of the forecasts of the Piaggio group 2008-2010 Plan. Since payment is deferred, the cost is represented by its present value, determined in accordance with the following parameters:

		At 30 June 2009			At 31 December 2008	Change (A-B)
Amounts in thousands of euros	Amount	Present Value (A)	Time	Discount rate	Present Value (B)	
Warrant	64,206	64,206			64,206	0
EMH instrument	6,500	6,500			6,500	0
Aprilia shareholder instrument	10,000	9,502	1.1	4.73%	8,999	503
Total	**80,706**	**80,208**			**79,705**	**503**

The counter-entry for the adjustment to the purchase cost, following the deliberation of the Board of Directors of Piaggio & C. S.p.A. of 11 June 2008, has been recorded to financial payables.

With reference to the Immsi Group, the recoverable value of the cash-generating unit (Piaggio group and Rodriquez Cantieri Navali group), to which the single goodwills have been attributed, is verified by determining the current value and submitted to an impairment test, applying the method required by IAS 36.
Both with reference to the goodwill registered for the Piaggio group and for the Rodriquez group, the Parent Company has availed itself of the assistance of third-party independent professionals for drawing up impairment reports that would support the Board of Directors of the Parent Company for the purposes of applying the procedure required by the accounting standard IAS 36. Reference is made to the Explanatory and Additional Notes on the consolidated financial statements contained in the Report of the Directors and Financial Statements of the Immsi Group at 31 December 2008 for details on the main assumptions made in determining the utilization value of the Piaggio group and Rodriquez group cash-generating unit.
With reference to both cash-generating units the analyses carried out at 31 December 2008 have not shown any losses in value: therefore no impairment has been reflected in the data of the separate or consolidated financial statements of the Parent Company at 31 December 2008. During the first half of 2009 there were no events such as to indicate that the activities subject to an impairment test can have suffered a significant loss in value.

Considering that the analyses conducted to estimate the recoverable value both for the Piaggio group and for the Rodriquez group has also been determined on the basis of estimates, the Group cannot assure that there will not be a loss in value of the goodwill in future periods. Owing to the current context of the crunch in the markets of reference and in the financial markets, the different factors used in drawing up the estimates could in the future be reviewed. The Group will constantly monitor these factors and the possible existence of future losses in value.

- F2 - TANGIBLE ASSETS 299,549

Net tangible assets at 30 June 2009 total 299,549 thousand euros, compared to 299,500 thousand euros at 31 December 2008, and comprise property assets of Immsi S.p.A. for 620 thousand euros, of the Piaggio group for 250,790 thousand euros, of the Rodriquez group for 29,331 thousand euros, of Is Molas S.p.A. for 18,767 thousand euros and of Immsi Audit S.c.a.r.l. for 41 thousand euros. The following table details this item:

In thousands of euros	Gross amounts					
	Balance at 31.12.2008	***Increases***	***Decreases***	***Change in consolidation area***	***Other movements***	***Balance at 30.06.2009***
Land	49,527	0	0	0	0	49,527
Property	149,225	1,476	(18)	0	(501)	150,182
Plant and machinery	343,775	11,204	(835)	0	(405)	353,739
Industrial and commercial equipment	474,679	7,715	(3,960)	0	779	479,213
Assets to be given free of charge	16,632	26	0	0	291	16,949
Other assets	54,280	1,535	(282)	0	(543)	54,990
TOTAL	1,088,118	21,956	(5,095)	0	(379)	1,104,600

The table below shows the changes in depreciation for the above items:

In thousands of euros	Accumulated depreciation						Net amounts
	Balance at 31.12.2008	***Depreciation***	***Applications***	***Change in consolidation area***	***Other movements***	***Balance at 30.06.2009***	***Balance at 30.06.2009***
Land	766	0	0	0	0	766	48,761
Property	41,909	2,094	(17)	0	(7)	43,979	106,203
Plant and machinery	266,064	6,607	(722)	0	(9)	271,940	81,799
Industrial and commercial equipment	423,891	10,197	(3,950)	0	157	430,295	48,918
Assets to be given free of charge	11,880	571	0	0	0	12,451	4,498
Other assets	44,108	1,394	0	0	118	45,620	9,370
TOTAL	788,618	20,863	(4,689)	0	259	805,051	299,549

N.B.: The "Other movements" heading includes the translation differences relating to financial statements in foreign currencies, reclassifications and write-downs.

Among the tangible assets at 30 June 2009 there are 4,498 thousand euros related to entirely freely transferable assets owned by the Rodriquez group represented by light fabricated and constructions, and related costs of restructuring, built on State land in the Municipality of Messina. The amortisation of the buildings built on State land is performed according to the residual duration of the concession with expiration in December 2013.
These assets, held because of a concession agreement, at its expiry, must be freely and in a perfect state of operation transferred to the granting body.
The tangible fixed assets are amortized at rates considered fit to represent their useful life and in any case according to a plan of fixed rate amortization. The land is not amortized.

Land and property
Land and industrial property refer to production facilities of the Piaggio group located in Pontedera (Pisa), Noale (Venice), Mandello del Lario (Lecco), Barcellona (Spain), Baramati (India) and Hanoi (Vietnam), to the industrial complex of the Rodriquez group and to the tourism/hotel structure managed by Is Molas S.p.A. in the Municipality of Pula (Cagliari). This item includes fixed assets in progress and advances for 10,711 thousand euros.
At 30 June 2009, the net value of the land and property owned under finance leases is 8,006 and 5,732 thousand euros respectively, exclusively referring to the property lease agreement regarding

the facility in Mandello del Lario.

Plant and machinery

The “Plant and machinery” item refers to the production facilities of the Piaggio group located in Pontedera (Pisa), Noale (Venice), Mandello del Lario (Lecco), Barcellona (Spain), Baramati (India) and Hanoi (Vietnam), as well as the structures owned by the Rodriquez group and facilities located in the tourism/hotel complex managed by Is Molas S.p.A., for a net overall amount (excluding assets held under finance leases) of 81,537 thousand euros. The Group has registered 22,145 thousand euros assets under construction and as a whole it uses plant and machinery completely amortised for a gross value of around 22,853 thousand euros.
Furthermore, the Rodriquez group has plant and machinery held under finance leases for a net book value of 262 thousand euros.

Industrial and commercial equipment

The “Industrial and commercial equipment” item, totalling 48,918 thousand euros, comprises essentially the production equipment of Piaggio & C. S.p.A., Nacional Motor S.A., Piaggio Vehicles Pvt. Ltd and the Rodriquez group. The balance includes assets under construction for 11,782 thousand euros recorded by the Piaggio group and fully depreciated equipment still in use totalling 6,515 thousand euros recorded by the Rodriquez group.
The main investments in equipment regarded moulds for the new vehicles either launched during the six-month period by the Piaggio group or expected to be launched within the year end, moulds for new engines and specific equipment for the assembly lines.

Other assets

The “Other assets” heading comprises vehicles, cars, furniture, office fittings and EDP systems. The other assets are registered for a total value of 9,370 thousand euros, net of cumulative depreciation, and includes assets held under finance leases for 96 thousand euros and construction in progress for 1,812 thousand euros. The Rodriquez group uses fully depreciated assets still in use with a gross value of 1,412 thousand euros.

Guarantees

At 30 June 2009, the Group owns land and property encumbered by mortgages or pledges in favour of financial institutions to guarantee bank loans.

- F3 - PROPERTY INVESTMENTS 72,707

At 30 June 2009 property investments were registered in the Immsi Group for 72,707 thousand euros, completely referable to the Parent Company Immsi S.p.A..
As indicated in the Report and Financial Statements at 31 December 2008 of the Immsi Group, at the end of the year 2008 Company’s Management modified the classification of the building located in Rome – Via Abruzzi into a non-instrumental investment property, as defined by IAS 40, since the initial intended use was no longer representative of its actual use. Reference is made to the Explanatory and Additional Notes on the consolidated financial statements contained in the Report of the Directors and Financial Statements of the Immsi Group at 31 December 2008 for additional details on the reasons that have led to this change in intended use and to the related accounting method. The increase of 358 thousand euros compared to the value recorded at 31 December 2008 is for work in progress that will be completed and will produce its utility as of the year 2009.

- F4 - EQUITY INVESTMENTS 250

The “Equity investments” heading at 30 June 2009 comprises:

In thousands of euros	*Balance at 31.12.2008*	*Increases*	*Decreases*	*Revaluations Write-downs*	*Reclassifications*	*Balance at 30.06.2009*
Equity investments in subsidiaries	4	0	(1)	(1)	0	2
Equity investments in associated companies and joint ventures	251	0	(3)	0	0	248
TOTAL	**255**					**250**

- F5 - OTHER FINANCIAL ASSETS 125,593

- Non-current portion

The other non-current financial asset, equal to 80,165 thousand euros, are entirely represented by financial assets available for sale represented by investments in Alitalia – Compagnia Aerea Italiana, Consorzio Pisa Ricerche, GEO.FOR. S.p.A., S.C.P.S.T.V. and other minor companies. The decrease compared to the preceding year, equal to 20 million euros, is tied, within the Alitalia – Compagnia Aerea Italiana operation, to having reached an agreement with the company Fire S.p.A. for the sale of a part of the shares undersigned, which has in actual fact reduced the total commitment in the investment to 80 million euro (from 100 million euro registered at 31 December 2008). The shareholding in CAI after the conclusion of the operation in January is therefore equal to 7.08% of the deliberated capital.

- Current portion

Other current financial assets total 45,428 thousand euros at the year end; 21,314 thousand euros increase compared to 31 December 2008 and are detailed in the table below:

In thousands of euros	*Balance at 30.06.2009*	*Balance at 31.12.2008*
Financial assets	45,382	23,458
Financial receivables	46	656
TOTAL	**45,428**	**24,114**

Among the current financial assets are mainly certificates of deposit for 23,870 thousand euros (1,605 thousand euros at 31 December 2008), issued by an Indian social security institution and purchased by the subsidiary Piaggio Vehicles Private Ltd. so as make efficient use of its temporary liquidity as well as the equity investment of Immsi S.p.A. in Unicredit whose fair value at 30 June 2009 is equal to 21,172 thousand euros, increasing compared to 17,407 thousand euros measured at the end of 2008 due to the effect i) of the attribution of approximately 1.8 million newly issued shares as decided by Unicredit by assigning newly issued shares (“scrip dividend”) and ii) of the greater value of the shareholding in question as a result of the positive trend in the quotations of the security on the MTA (price per share at 30 June 2009 equal to 1.795 euros compared to the price at 31 December 2008 of 1.745 euros).

Among the current financial receivables are 45 thousand euros receivables due from Fondazione Piaggio.

- F6 - AMOUNTS DUE FROM TAX AUTHORITIES 39,234

Current and non-current amounts due from tax authorities total 39,234 thousand euros and are as follows:

- Non-current portion

In thousands of euros	*Balance at 30.06.2009*	*Balance at 31.12.2008*
Amounts due from the tax authorities for VAT	711	633
Amounts due from the tax authorities for income tax	3,288	4,852
Other amounts due from the tax authorities	10,565	6,723
TOTAL	**14,564**	**12,208**

It should be reminded that Immsi S.p.A., jointly with the subsidiary companies Piaggio & C. S.p.A., Moto Guzzi S.p.A., Is Molas S.p.A., Apuliae S.p.A., Rodriquez Cantieri Navali S.p.A., Intermarine S.p.A. and Conam S.p.A., has exercised the option to join Group taxation as provided for in art.117 follow. of the Consolidated Act of Income Taxes, for the financial years 2007, 2008 and 2009. During 2008 also the subsidiary RCN Finanziaria S.p.A. subscribed to the agreement for the three year period 2008-2010 and, during 2009, ISM Investimenti S.p.A. and Rodriquez Marine System S.r.l. for the three year period 2009-2011. Moreover, it should be noted that the agreements with Is Molas S.p.A. ceased following the break in direct control by Immsi S.p.A. pursuant to art. 120 T.U.I.R. and the contract with Moto Guzzi S.p.A. following the merger of the latter with Piaggio & C. S.p.A..
In the light of the contracts signed with each subsidiary, the Parent company, as the consolidating company, has registered in its own financial statements receivables from the tax authorities for non-current taxes, related to withholdings suffered and IRES advance payments made, transferred from the companies included in the national fiscal consolidation, for 2,731 thousand euros, whose use is supposed to be following the year 2009 in the light of the communicated industrial data.

- Current portion

In thousands of euros	*Balance at 30.06.2009*	*Balance at 31.12.2008*
Amounts due from the tax authorities for VAT	22,029	30,557
Amounts due from the tax authorities for income tax	2,409	1,894
Other amounts due from the tax authorities	232	296
TOTAL	**24,670**	**32,747**

Amounts due from tax authorities within 12 months mainly refer to VAT receivables of the Piaggio group.

- F7 - DEFERRED TAX ASSETS 51,472

At 30 June 2009 the Group registered net taxes paid in advance with the reasonable certainty of making taxable income in the future to absorb them, for 51,472 thousand euros of which 2,357 thousand euro with expiration within 12 months and 49,115 thousand euros with expiration beyond 12 months.

The Piaggio group has recognised 36,385 thousand euros of deferred tax assets compared to 36,227 thousand euros recorded at 31 December 2008, referring mainly to the cancellation of capital gains between companies not made with third parties, to fiscal losses of Piaggio & C. S.p.A. and Nacional Motor S.A., to temporary differences of Piaggio & C. S.p.A..

The deferred tax assets registered by the Rodriquez group total 8,948 thousand euros and are calculated mainly on the asset timing differences, on a portion of the tax losses suffered in previous years by group companies and on the loss matured since 2007 transferred to the consolidating party for the portion that has not been compensated for in the Group's taxable income.

- F8 - TRADE RECEIVABLES AND OTHER RECEIVABLES 395,052

- Non-current portion

Trade receivables and other receivables included under non-current assets total 20,252 thousand euros against 21,163 thousand euros at 31 December 2008 and are detailed below:

In thousands of euros	*Balance at 30.06.2009*	*Balance at 31.12.2008*
Trade receivables	0	0
Amounts due from subsidiaries	138	440
Amounts due from associated companies	368	359
Amounts due from parent companies	0	0
Amounts due from joint ventures	0	0
Other receivables	19,746	20,364
TOTAL	**20,252**	**21,163**

This item includes trade receivables falling due beyond 12 months fully offset for 1,203 thousand euros.
Among the receivables from subsidiaries are 138 thousand euros due from AWS do Brasil Ltda while the payables due from associated companies refer to payables claimed by the Fondazione Piaggio and Zongshen Piaggio Foshan for 359 thousand and 9 thousand euros, respectively.
Among the non-current receivables, the Piaggio group has mainly recorded 6,638 thousand euros receivables connected to hedging instruments, 1,324 thousand euros of guarantee deposits, 465 thousand euros of amounts advanced to employees, 4,817 thousand euros of deferred charges and 2,075 thousand euros of grants.

- Current portion

Trade receivables and other receivables included under current assets are as follows:

In thousands of euros	*Balance at 30.06.2009*	*Balance at 31.12.2008*
Trade receivables	257,789	113,341
Amounts due from subsidiaries	0	0
Amounts due from associated companies	1,777	2,893
Amounts due from parent companies	0	0
Amounts due from joint ventures	301	399
Other receivables	114,933	144,355
TOTAL	**374,800**	**260,988**

The "Trade receivables" item comprises amounts due from normal sales transactions, stated net of a bad debt reserve of 32,277 thousand euros, which at the end of the period shows a decrease of 327 thousand euros compared to 31 December 2008.

The balance of receivables from associated companies refers mainly to receivables for 238 thousand euros from the Fondazione Piaggio and for 1,539 thousand euros from the Consorzio CTMI, while the receivables from joint ventures (equal to 301 thousand euros at 30 June 2009) refer to credits with Piaggio Foshan Motorcycles.
At 30 June 2009, sales of receivables made by Piaggio & C. S.p.A. that did not envisage the transfer of the related risks and benefits total 34,269 thousand euros with a counter-entry in the current liabilities, while the trade receivables sold with the transfer of the related risks and benefits amounting in total to 175,530 thousand euros, of which 116,208 thousand euros advanced before their due date.

The contract works in progress, whose balance is included among the Other Receivables, are reported net of the advances received from customers for 222,046 thousand euros and they refer entirely to the naval sector.

The composition of the works in progress is detailed as follows:

In thousands of euros				
	Balance at 31.12.2008	*Increases*	*Decreases*	*Balance at 30.06.2009*
Contract work in progress gross of advances	**259,926**	18,180	0	**278,106**
Contractual advances received from customers	193,181			222,046
Contract work in progress net of advances	**66,745**			**56,060**
Costs incurred	223,548			241,219
Margins recorded (net of losses)	36,378			45,887

There are mortgages in favour of banks on constructions of Rodriquez Cantieri Navali S.p.A. for the Oman contract totalling 44.6 million US dollars.

"Other receivables" include accrued income and prepaid expenses of 11,025 thousand euros, advances to suppliers for 35,247 thousand euros, 439 thousand euros for receivables connected to hedging instruments, 2,917 thousand euros relating to Government grants received by the Rodriquez group.

- F9 - ASSETS INTENDED FOR DISPOSAL 21,581

The net book value of the assets intended for sale recorded by the Rodriquez group amounts to 21,581 thousand euros and it almost exclusively refers to the property of Pietra Ligure acquired at the public auction of the State in the month of December 2007 for a total of 19.1 million euros and accounted in the buildings destined to be dismissed in relation to the contracts and obligations undersigned by Rodriquez Cantieri Navali S.p.A..

- F10 - INVENTORIES 349,893

Inventories are measured at the lower of cost and market value and total 349,893 thousand euros at the year end and comprise:

In thousands of euros	*Balance at 30.06.2009*			*Balance at 31.12.2008*		
	Cost	*Write-down*	*Net*	*Cost*	*Write-down*	*Net*
Goods	0	0	0	0	0	0
Consumables	39	0	39	38	0	38
Raw materials	142,256	(13,862)	128,394	117,946	(12,515)	105,431
Work in progress and semi-finished products	68,633	(852)	67,781	75,175	(852)	74,323
Finished products	176,771	(23,092)	153,679	169,696	(21,417)	148,279
TOTAL	**387,699**	**(37,806)**	**349,893**	**362,855**	**(34,784)**	**328,071**

The above write-downs were necessary for the presence of raw materials no longer usable in the production process and obsolete or slow-moving finished products and goods.

At 30 June 2009, the Piaggio group recognises, net of write-downs, inventories for 281,212 thousand euros referred to components, accessories, 2-wheeled and 4-wheeled vehicles. The growth compared to 31 December 2008 is due the seasonality of the production cycle.
The Rodriquez group contributes 46,376 thousand euros, mainly raw materials and contract work in progress as well as internal construction and repairs.
Finally, Is Molas S.p.A. records 22,305 thousand euros of inventories at the end of the half-year period relating to the hotel business, as well as work in progress and semi-finished products represented by land, volumes, costs for services and consultancy for the property development project relating to the allotment located in Is Molas - Cagliari.

- F11 - CASH AND CASH EQUIVALENTS 168,851

Cash and cash equivalents at the end of the period total 168,851 thousand euros against 55,353 thousand euros at 31 December 2008, as detailed in the table below:

In thousands of euros	*Balance at 30.06.2009*	*Balance at 31.12.2008*
Cheques	2	1
Cash and cash equivalents	132	162
Amounts due from banks within 90 days	168,717	55,190
TOTAL	**168,851**	**55,353**

With the financing of 46 million euros granted by Efibanca, Immsi S.p.A. must for the entire duration of the contract channel the revenues from rental into a deposit account and keep a minimum amount there equal to the interest instalment nearest expiration. This sum, equal to 568 thousand euros at 30 June 2009, is to all intents and purposes unavailable until attainment of the minimum amount deposited for the payment of the interest instalment in expiration.

- G - INFORMATION ON THE MAIN LIABILITIES ITEMS

Amounts are stated in thousands of euros unless otherwise indicated.

- G1 - SHAREHOLDERS' EQUITY 597,353

Shareholders' equity at 30 June 2009 stands at 597,353 thousand euros, of which 403,333 thousand euros being consolidated Group shareholders' equity and 194,020 thousand euros referring to minority interest capital and reserves.

Share capital

At 30 June 2009, the share capital of Immsi S.p.A., fully subscribed and paid up, comprises 343.2 million ordinary shares of nominal value 0.52 euros each, for a total of 178,464,000.00 euros.

It is noted that the Ordinary Shareholders' Meeting of the Parent company held on 29 April 2009 approved the plan to purchase and dispose treasury stock o the Company, upon revocation – for the part not carried out – of the analogous authorization granted by the General Shareholders' Meeting of 13 May 2008 and falling due on 13 November 2009. The operations of buying and selling treasury stock can be finalized at buying and/or selling treasury stock for the purposes of investment and stabilization of the price of the stock and its liquidity on the share market, or for the purposes of using treasury stock within operations connected with the current management or for projects in line with the strategies of the Company. The authorization is required for the purchase, even in more than one tranche, of common stock of the nominal value of 0.52 euro each, up to such a maximum amount, taking account of the common stock kept in portfolio by the Company and by its subsidiary companies from time to time, so that the quantity of treasury stock altogether is no greater than the maximum limit set down in the applicable "*pro tempore*" regulations, for a period of eighteen months as of the date of the deliberation. The Ordinary Shareholders' Meeting has also, with no time limits, authorized the entire or partial use, at any time, of any treasury stock purchased on the basis of the aforesaid authorization or anyhow in the Company's portfolio, by their sale or transfer of any real and/or personal rights related to them.

At 30 June 2009 the company held no. 2,670,000 shares of treasury stock, purchased on the stock market during 2008, at an average price of 0.7784 euros. In conformity with the provisions of the applicable international standards, the nominal value of the purchases of treasury stock, equal to 1,388 thousand euros, has been carried to direct deduction from the share capital.

Moreover, it is noted that the Extraordinary Shareholders' Meeting held on 29 April 2009, decided to grant the following rights to the Board of Directors, in accordance with art. 2443 of the Italian Civil Code:

- right to increase on one or more occasions, against payment and also in divisible amounts, within a period of five years from the date of the resolution, the share capital up to a maximum amount of 500 million euros of nominal value, with or without premium, by issuing new ordinary shares having the same features as those already in circulation, to be offered as an option to those entitled; and alternatively,

- right to increase on one or more occasions, against payment and also in divisible amounts, within a period of five years from the date of the resolution, the share capital up to a maximum amount of 500 million euros of nominal value: to be assigned to the service, for a maximum amount of 250 million euros, of bonds which may be convertible into ordinary shares and/or with warrants to be issued pursuant to art. 2420-*ter* of the Italian Civil Code in compliance with the right of option provided to those entitled; and, for a maximum amount of 250 million euros nominal value, as well as for the residual amount, if any, in case the convertible bonds are issued by not using fully the amount of such proxy, with or without premium, by issuing new ordinary shares having the same features as those already in circulation, to be offered as an option to those entitled.

Such proxy is subsequent to the expiration, on 17 March 2008, of a similar proxy granted by the Extraordinary Shareholders' Meeting to the Board of Directors on 17 March 2003.

Each ordinary share entitles the holder to a proportionate part of distributable profits and of the shareholders' equity resulting from any liquidation, as well as to unlimited voting rights.

Legal reserve

The legal reserve comprises reserves allocated following the distribution of profits from the year 2000 to the year 2008, in accordance with the provisions of law and totals 4,127 thousand euros at the end of June 2009.

Other reserves

This item totals 182,823 thousand euros. The share premium reserve includes the consideration of the shares underwritten following the increase in share capital of Immsi S.p.A. in 2005 and 2006 for an overall amount of 95,216 thousand euros.

Other reserves also include the reserve generated from the Group's transition to international accounting standards as of 1 January 2004, equal to 5,300 thousand euros at the end of June 2009 and unchanged compared to 31 December 2008, details of which are in the Report to the Financial Statements at 31 December 2005, also available on the www.immsi.it website.

The stock option reserve amounts to 4,555 thousand euros while the reserve allocated to the evaluation of the financial instruments is equal to 6,955 thousand euros, an increase compared to 31 December 2008 mainly due to the increase in the fair value of the 9,975,443 Unicredit shares held by the Parent Company and the assignment of 1,819,436 shares of new issue as decided by Unicredit through the assignment of shares of new issue ("scrip dividend").

Among the other reserves, net of the related fiscal component, there is also the reserve for evaluation at fair value of real estate investments for 41,171 thousand euros recorded by the Parent Company beginning from the end of the year 2008 following the change in classification of the property in Rome – Via Abruzzi into non-instrumental real estate investment, as defined by the IAS 40.

The details of the item "Other reserves" are shown below:

In thousands of euros

	Extraordinary reserve	Share premium reserve / share capital increase	IAS transition reserve	Reserves as per Law 413/91	Legal reserves	Translation reserve	Stock Option reserve	Financial instrument measurement reserve	Other reserves	Total other reserves
Balances at 31 December 2008	***7,103***	***95,216***	***5,300***	***4,602***	***1,153***	***(3,548)***	***3,971***	***2,886***	***61,297***	***177,980***
Other changes							584		103	687
Overall earnings for the period						87		4,069		4,156
Balances at 30 June 2009	***7,103***	***95,216***	***5,300***	***4,602***	***1,153***	***(3,461)***	***4,555***	***6,955***	***61,400***	***182,823***

Retained earnings

The earnings carried forward total 34,996 thousand euros and refer to cumulative Group earnings.

Minority interest capital and reserves

At 30 June 2009 the balance of share capital and reserves attributable to third party shareholders totals 194,020 thousand euros, a 3,316 thousand euros increase compared to 31 December 2008, mainly after the earnings of the period, the sale of Piaggio & C. S.p.A. shares by the Parent company and after the distribution of dividends for 9.4 million euros.

- G2 - FINANCIAL LIABILITIES 786,890

Financial liabilities total 786,890 thousand euros at 30 June 2009. The part recorded under non-current liabilities amounts to 417,234 thousand euros, against 338,187 at 31 December 2008, while the part included among current liabilities totals 369,656 thousand euros, a 36,904 thousand euros increase compared to the year end 2008.
The attached tables summarise the financial liabilities by type of financial debt:

- Non-current portion

In thousands of euros

	Balance at 30.06.2009	Balance at 31.12.2008
Bonds	119,239	120,873
Amounts due to banks	252,339	172,273
Amounts due under finance leases	8,765	9,200
Amounts due to other lenders	36,891	35,841
TOTAL	**417,234**	**338,187**

The increase in the item in question is mainly derived from an increase in the payables to banks, particularly following the disbursement in February 2009 of the medium-term financing of 150,000 thousand euros granted to Piaggio by the European Investment Bank in December 2008.

- Current portion

In thousands of euros	Balance at 30.06.2009	Balance at 31.12.2008
Amounts due to banks	331,412	316,122
Amounts due under finance leases	784	769
Amounts due to other lenders	37,460	15,861
TOTAL	**369,656**	**332,752**

The composition of the debt is the following:

In thousands of euros	Balance at 30.06.2009	Balance at 31.12.2008	Nominal value at 30.06.2009	Nominal value at 31.12.2008
Bonds	119,239	120,873	121,960	123,960
Amounts due to banks	583,751	488,395	584,402	489,305
Amounts due under finance leases	9,549	9,969	9,549	9,969
Amounts due to other lenders	74,351	51,702	74,849	52,703
TOTAL	**786,890**	**670,939**	**790,760**	**675,937**

The following prospectus shows the reimbursement plan for the debt at 30 June 2009 of the Group:

In thousands of euros	Nominal value at 30.06.2009	Portions falling due within 12 months	Portions falling due in 2010 (2nd half)	Portions falling due in 2011 (2nd half)	Portions falling due in 2012 (2nd half)	Portions falling due in 2013 (2nd half)	Portions falling due beyond
Bonds	121,960	0	0	0	121,960	0	0
Amounts due to banks	584,402	331,412	77,281	60,155	45,294	26,653	43,607
Amounts due under finance leases	9,549	851	827	808	846	886	5,331
Amounts due to other lenders	74,849	37,460	18,545	2,370	2,357	450	13,667
TOTAL	**790,760**	**369,723**	**96,653**	**63,333**	**170,457**	**27,989**	**62,605**

The following table analyzes the financial debt by currency and interest rate:

In thousands of euros	Balance at 31.12.2008	Balance at 30.06.2009	Nominal value at 30.06.2009	Interest rate at 30.06.2009
Euro	650,606	764,751	771,622	4.65%
Vienamese Dong	5,278	0	0	n/a
Singaporean dollar	0	0	0	n/a
Indian rupee	9,705	2,962	n/a	n/a
US dollar	5,350	19,177	19,138	1.06%
TOTAL	**670,939**	**786,890**	**790,760**	**4.56%**

Amounts due to banks mainly include the following loans:

- a 45,949 thousand euros loan, nominal value 46,000 thousand euros, provided by Efibanca to Immsi S.p.A. at an average rate at the beginning of May of 2.78% maturing May 2010. The loan, which is secured by a 92 million euros mortgage on the building in via Abruzzi, 25 – Rome, envisages meeting two covenants to be calculated in relation to the ratio between financial liabilities and shareholders' equity (to be equal or lower than 1x), and to the ratio between rental instalments and interest on the loan itself (to be equal or lower than 1x). In the event of failing to observe even just one of the two ratios, Immsi must give a reason and state the measures taken to restore the conditions agreed upon or the institute will have the right to resolve the financing contract;

- contract of stock loan from Immsi S.p.A. to Banca Akros that, with the loan of 7.6 million Unicredit shares, requires delivery by the intermediary of cash collateral for an amount of around 11,726 thousand euros represented by the market value of the stock at the date of subscription net of a spread that absorbs any downward swing of the stock. The contract, with expiration at revocation, requires a fee equal to 0.05% and negative interest equal to EONIA increased by 0.7%, calculated on the cash collateral disbursed from Banca Akros;
- contract of stock loan from Immsi S.p.A. to Mediobanca that, with the loan of 4.1 million Unicredit shares, requires delivery by the intermediary of cash collateral for an amount of 6,598 thousand euros represented by the market value of the stock at the date of subscription. The contract requires that, with market swings exceeding 1 euro per share in relation to the value of the stock at the date of the subscription, Immsi refunds or the intermediary disburses the corresponding portion of collateral. The contract, with expiration at the end of October 2009, foresees a fee equal to 0.1% and negative interest for Mediobanca equal to Euribor at 6 months increased by 1.3%, calculated on the cash collateral disbursed from Mediobanca;
- Bullet – Multi Borrower financing granted by Intesa Sanpaolo for a total of 70 million euros, with maturity at 31 December 2009 and 1-month variable reference rate equal to Euribor increased by 1.75%, of which 25 million euros granted to Immsi S.p.A., 30 million euros disbursed to ISM Investimenti S.p.A. and 15 million euros disbursed to Rodriquez Cantieri Navali S.p.A.;
- a revolving credit line granted by Banca Popolare di Lodi for 20 million euros, at a rate equal to 3-month Euribor increased by 1.80%, and guaranteed by 25.5 million Piaggio shares, whose value must be kept at least equal to 118% of the financing;
- a medium-term financing contract of 150 million euros granted to Piaggio & C. S.p.A. by the European Investment Bank to finance the plan for investments in Research & Development planned for the period 2009-2012. The financing has a duration of 7 years with amortisation in semi-annual instalments at a variable 6-month Euribor rate plus a spread of 1.323%. The contractual terms require financial covenant while guarantees are excluded. It should be noted that, in reference to the 2008 financial statements, these parameters were comfortably met;
- 95,349 thousand euros (nominal value equal to 96,000 thousand euros) loan provided to Piaggio & C. S.p.A. by Mediobanca and Intesa SanPaolo. This loan is part of a more articulated financial package that in April 2006 was syndicated to a restricted pool of banks. This package was composed of portion of 150,000 thousand euros nominal fully drawn down (at 30 June 2009 still outstanding for 96,000 thousand euros) and a portion of 100,000 thousand euros to be used as a credit line, which at 30 June 2009 was undrawn. The structure envisages a 7-year duration, with a grace period of 18 months and 11 semi-annual instalments with last loan instalment due on 23 December 2012, a variable interest rate linked to the 6-month Euribor rate to which a variable margin of between a maximum of 2.10% and a minimum of 0.65% is added depending on the Financial Debt/ EBITDA ratio. For the portion relating to the credit line there is a commitment fee of 0.25%. The contract does not envisage the issue of guarantees but, in line with the market procedures, envisages the compliance with some financial parameters. It should be noted that, in reference to the 2008 financial statements, these parameters were comfortably met;
- 29,000 thousand euros for a loan granted to Piaggio & C. S.p.A. by a pool of 14 banks upon the acquisition of Aprilia for the purchase of an amount of 34 million euros in non self-liquidating financial receivables claimed by the same lenders from Aprilia S.p.A. The conditions envisaged a fixed interest rate of 3.69% and repayment in a single instalment of capital and interest at the final maturity, set for 31 December 2009, aligned with the exercise date of the Piaggio 2004-2009 warrants underwritten by the same lenders during the Aprilia closing;
- financing granted by Interbanca for 25 million euros stipulated in September 2008 of a duration of five years and not assisted by guarantees;

- a 983 thousand euros loan provided by Interbanca in accordance with Italian Law 346/88 regarding subsidies for applied research, guaranteed by a mortgage on property;
- non-interest bearing loan of 2,691 thousand euros provided by Banca Antonveneta originally to a subsidiary of the Aprilia group and, following the acquisition, taken on by Piaggio & C. S.p.A., with a single repayment date in 2011. The conditions envisage a market interest rate in the last two years based on the performance of the Piaggio 2004-2009 warrants;
- 515 thousand euros soft-loan provided by Efibanca and maturing on 28 December 2009;
- 2,061 thousand euros soft-loan provided by Intesa Sanpaolo in accordance with Italian Law 346/88 for applied research;
- 3,500 thousand euros referred to payables due to Interbanca as owner of the EMH instruments;
- 1,500 euros soft-loan at eight years provided by ICCREA in December 2008 in accordance with law 100/90 and connected to the investment of SIMEST in the capital of the Vietnamese company Piaggio Vietnam Co. Ltd.;
- financing with expiration at 30 September 2010 at a rate equal to Euribor increased by 1.75% issued by Intesa Sanpaolo to Intermarine S.p.A. for a total of 42 million euros, of which 12 million correlated with the insurance indemnities concerning the flooding of the river Magra at the Intermarine yard of Sarzana and 30 million as a revolving credit line correlated with the future receivables of the work order with the Finnish Navy. At 30 June 2009, the first of the two aforesaid financings is used for 11.1 million euros;
- financing by Banca Popolare Italiana to the subsidiary Intermarine S.p.A. for 8 million euros assisted by a mortgage for 16 million euros on a property owned by the company itself in Sarzana. On this financing there is a rate hedging contract for the whole amount. This coverage transforms the floating rate into a fixed rate for the whole contractual duration; the rate has been set at 4.20% plus a spread of 130 b.p.p.;
- financing to the subsidiary Intermarine equal to 5.1 million euros for advances on invoices referring to the line of 8 million euros granted by Banca Carige for outstanding contracts with the customer Guardia di Finanza (*i.e.,* Revenue Tax Corps);
- loan granted by Banca Agricola Mantovana and Banca Popolare di Lodi to Is Molas S.p.A., with validity till revocation and usable for cash, for a total of 24.9 million euros equal to the actual debt for capital, interest and accessory burdens accrued and payable.

With reference to the short-term payables position, during the second half of 2009 the Parent company Immsi S.p.A. plans to renew the credit lines falling due with new loans for the medium term.
Rodriquez Cantieri Navali S.p.A. has in addition a signed line of credit for the contract with the Sultanate of Oman, guaranteed by a pool of banks (Intesa Sanpaolo, Banca di Roma and Unicredit), with which the company has undersigned a contract to issue the guarantees to the customer, both on performance (equal to 5% of the contract total) and on the advance payments made up to 90% of the order. The total value of the line of guarantees is 84.5 million US dollars to which the guarantee must be added for the portion of interest that has gradually accrued on the advance payments made by the customer up to the date of discharge for the deliveries in Oman; this guarantee was formed on a quarterly basis with the accreditation of the interest in a deposit account. The signed credit line is assisted by a bank guarantee of Immsi for 60 million US dollars, the release of the mortgages on the assets under construction, the transfer of the rights of insurance, the guarantee on the checking account on which the collections are channelled, the guarantee on the Cash Collateral account that must be constituted if the exposure of the guarantee exceeds the value of 60 million US dollars.
At 30 June 2009 the actual use of the line is equal to 44.6 million US dollars as a result of the customer's acceptance of construction no. 352 and the subsequent discharge of the relevant guarantees.

The item “bonds falling due beyond 12 months” (119,239 thousand euros net book value) refers to the high-yield bonded loan issued on 27 April 2005 by the subsidiary Piaggio Finance S.A. (Luxembourg), for a nominal amount of 150,000 thousand euros, maturing on 30 April 2012 and with a semi-annual coupon with a fixed annual nominal rate of 10%. The bond issue was guaranteed by Piaggio & C. S.p.A. and in March 2009 Standard & Poor’s confirmed its rating of BB declassing the outlook from stable to negative; the rating agency Moody's in May 2009 confirmed the rating of Ba2 reviewing the outlook from “stable” to “negative.” The credit crunch of the last few months of 2008 was also reflected on the market prices of the bond that under those circumstances was priced under parity. The Piaggio group has taken advantage of this situation rounding off the repurchases of its own bonds already made in the fourth quarter of 2008. Up to 30 June 2009 repurchased bonds amounted to 28,040 thousand euros. Following the decision not to annul the quotas in the portfolio the repurchases are given in the financial statements with a reduction in the initial debt, in conformity with the Accounting Standards adopted.

Payables for financial leasing refer mainly to leases granted by Locat S.p.A. to Moto Guzzi S.p.A. for 9,382 thousand euros.

Overall, amounts due to other lenders are equal to 74,351 thousand euros (36,891 thousand euros beyond one year and 37,460 thousand euros for the current portion), as detailed below:

- 2004-2009 Piaggio Warrant for 263 thousand euros;
- former Aprilia shareholders non-current financial instrument for 9,502 thousand euros;
- soft-loans totalling 12,082 thousand euros granted by Simest and by the Ministry of Productive Activities to Piaggio group pursuant to legislation to encourage exports and investment in research and development (non-current portion equal to 9,389 thousand euros);
- current recourse factoring financial transactions, renegotiated by the Piaggio group for 34,269 thousand euros;
- Rodriquez Cantieri Navali S.p.A. and Conam S.p.A. have loans for indirect factoring operations granted by Banca IFIS to suppliers, in relation to the financing of the working capital for the construction of the orders, used at 30 June 2009 for a total of 10.2 million euros;
- non-current shareholders’ loan convertible in shares by Intesa Sanpaolo to RCN Finanziaria for 6 million euros;
- shareholder financing for 12 million euros with duration equal to 10 years acknowledged by IMI Investimenti S.p.A. (Intesa Sanpaolo group) to ISM Investimenti S.p.A..

Financial instruments

Interest rate risk

The exposure to the interest rate risk derives from the necessity to finance the operational activities, both industrial and financial, as well as whether to use the available liquidity. The variation in the interest rates can affect the costs and the yields of the operations of financing and investment.
Rodriquez Cantieri Navali S.p.A. has an operation of *interest swa*p falling due in May 2014, for a notional value equal to 10 million euros. The company has adjusted the value of the mark to market at 30 June 2009 in relation to the value registered in the preceding financial statements.
Intermarine has one interest swap operation in being on the loan of 8 million euros. Also in this case on 30 June 2009 the value of the adequate mark to market was reflected in the balance of the preceding financial statements.

Exchange rate risk

Exchange rate hedges have been signed exclusively by the Piaggio group and by Rodriquez Cantieri Navali S.p.A..

During the first half of 2009, the Piaggio group managed exchange rate risk in line with the policy adopted in 2006 which aims to neutralise the possible negative effects of the changes in exchange rates on company cash-flow, by hedging the business risk, which concerns the changes in company profitability compared to the annual business budget on the basis of a key exchange rate (the so-called “budget exchange rate”) and of the settlement risk, which concerns the differences between the exchange rate recorded in the financial statements for receivables or payables in foreign currency and that recorded in the related receipt or payment.
Exposure to business risk consists of the envisaged payables and receivables in foreign currency, taken from the budget for sales and purchases reclassified by currency and accrued on a monthly basis.
Exposure to settlement risk consists of receivables and payables in foreign currency acquired in the accounting system. The hedge must be equal at all times to 100% of the import, export or net settlement exposure for each currency.
Referring to contracts which are made to hedge exchange rate risk on receivables and payables in foreign currency (settlement risk), at 30 June 2009 Piaggio & C. S.p.A. had forward sale contracts (valued at the forward exchange rate):

- CAD 3,420 thousand, corresponding to 2,131 thousand euros;
- CHF 8,620 thousand, corresponding to 5,712 thousand euros;
- DKK 7,595 thousand, corresponding to 1,019 thousand euros;
- GBP 8,225 thousand, corresponding to 9,415 thousand euros;
- JPY 230 million, corresponding to 1,723 thousand euros;
- SGD 680 thousand, corresponding to 333 thousand euros;
- USD 37,430 thousand, corresponding to 27,078 thousand euros.

At 30 June 2009 Piaggio & C. S.p.A. also had forward purchases (valued at the forward exchange rate):

- CAD 495 thousand, corresponding to 306 thousand euros;
- CHF 2,770 thousand, corresponding to 1,811 thousand euros;
- JPY 877 million, corresponding to 6,583 thousand euros;
- SEK 1,635 thousand, corresponding to 150 thousand euros;
- SGD 640 thousand, corresponding to 316 thousand euros;
- USD 16,660 thousand, corresponding to 11,896 thousand euros.

As regards contracts in place to hedge exchange rate risk on forecast transactions (business risk), at 30 June 2009, Piaggio & C. S.p.A. had:

- forward purchase transactions for a value of 1,116 million JPY corresponding to 8,751 thousand euros and 213 million CNY corresponding to 21,805 thousand euros;
- forward sales transactions of 8,950 thousand CHF corresponding overall to 5,969 thousand euros (valued at the forward exchange rate), 3,450 thousand CAD corresponding to 2,127 thousand euros (valued at the forward exchange rate) and 11,400 thousand GBP corresponding to 12,481 thousand euros (valued at the forward exchange rate).

As concerns the other companies in the Piaggio group at 30 June 2008: on the company Piaggio Group Americas there are forward contract operations of USD 11,300 thousand corresponding altogether to 8,663 thousand euros (valued at the forward exchange rate).

With reference to the Rodriquez Cantieri Navali group, the policy concerning the foreign exchange risk implemented by the group is actualized in the total elimination of every risk through the definition of a fixed forward exchange rate to hedge for swings in exchange rates. This hedging set the Euro/US$ exchange rates at which the collections will be made and at which they will be valued, according to the progress, the revenues of the Oman order.

In 2008, following the redefinition of the cash flows expected for Oman order, the forward contracts connected to the forecast receivables deriving from the orders in dollars were restructured with a synthetic forward operation by stipulating options at a strike price equal to 1.5675.

This half saw the gradual extension of the financings granted by Intesa Sanpaolo, in November 2008 and January 2009, that have been used for the obligatory exercise of the options in expiration for a total of 9.6 million USA dollars. The liquidity from the exercise of the options, at 30 June 2009 equal to 3.9 million euros, is deposited in a deposit account and guaranteed by lien for Intesa Sanpaolo.

At 30 June 2009 there are options on exchange rates for an overall value of 4.8 million USA dollars, in expiration for 2.6 million in September 2009 and for 2.2 million dollars in March 2010.
At 30 June 2009 there are still forward contracts for staggered expirations from September 2009 to March 2010 for an overall value of 10.5 million USA dollars at an average exchange rate of 1.3768.

It must also be noted that among the receivables there is a total of 6.2 million euros, deposited to guarantee the signed credit agreement, bonded and submitted to guarantee for the banks; in particular, the account includes:

- the Deposit Account for the interest attributable to the guarantees used on the capital line, for an amount of 2.3 million euros;
- deposit on financing for exercising options for 3.9 million euros.

- G3 - TRADE PAYABLES AND OTHER PAYABLES 747,893

Trade payables and other payables total 747,893 thousand euros, of which 740,030 thousand euros falling due within one year, detailed below:

In thousands of euros	Balance at 30.06.2009	Balance at 31.12.2008
Trade payables	605,265	490,794
Amounts due to subsidiaries	6	5
Amounts due to associated companies	15,806	9,077
Amounts due to Parent companies	0	2
Amounts due from joint ventures	0	0
Other payables	118,953	142,965
TOTAL	**740,030**	**642,843**

Amounts due to employees include holidays accrued and not used, and other amounts to be paid at the end of December.
Trade payables and other current payables with related parties at 30 June 2009, equal to 16,517 thousand euros, mainly refer to purchases from Piaggio China, Piaggio Foshan, Fondazione Piaggio and Consorzio CTMI.

- G4 - RESERVES FOR SEVERANCE INDEMNITY AND SIMILAR OBLIGATIONS 69,970

The reserve for pension and similar obligations amounts to 69,970 thousand euros at 30 June 2009. The reserve is detailed below:

In thousands of euros	*Balance at 31.12.2008*	*Provisions*	*Applications*	*Other movements*	*Balance at 30.06.2009*
Employees' severance indemnity reserves	65,684	5,204	(5,256)	126	65,758
Other reserves	3,785	456	(29)	0	4,212
TOTAL	**69,469**	**5,660**	**(5,285)**	**126**	**69,970**

The other funds are composed of the funds for personnel set aside by the foreign companies and the supplementary indemnity fund for customers, that represents the indemnities owing to the agents in case of the agency contract winding up due to events not ascribable to them.
The uses refer to the liquidation of indemnities already set aside in preceding years while the allocations correspond to the indemnities matured in the period. In the other movements there are mainly the transfers to the funds of complementary social security.

- G5 - OTHER LONG-TERM RESERVES 54,623

The balance of other long-term reserves, including the portion falling due within 12 months, totals 54,623 thousand euros at the end of June 2009, approximately in line compared to 31 December 2008.
The other reserves recognised in the financial statements are detailed below:

In thousands of euros	*Balance at 31.12.2008*	*Provisions*	*Applications*	*Other movements*	*Balance at 30.06.2009*	*Of which current portion*
Product warranty reserve	23,157	7,680	(8,091)	26	22,772	15,375
Reserve for risks on equity investments	5,824	0	0	(302)	5,522	0
Contractual risks reserve	9,011	0	(3)	1,174	10,182	5,965
Promotional reserves	0	0	0	0	0	0
Restructuring reserves	0	0	0	0	0	0
Severance indemnity reserves	120	0	0	0	120	120
Other provisions for risks and charges	16,585	2,873	(4,187)	756	16,027	4,851
TOTAL	**54,697**	**10,553**	**(12,281)**	**1,654**	**54,623**	**26,311**

The product warranty reserve relates to provisions made by the Piaggio group for 18,312 thousand euros and by Rodriquez for 4,460 thousand euros, for technical support for products that are estimated to be carried out in the contractual warranty period. As regards the forecasts made by the Piaggio group, this period varies according to the type of goods sold and the market, and is also determined by the customer take-up to commit to planned maintenance. The Rodriquez group allocates this reserve for maintenance under guarantee to be carried out in the future years on naval vessels under construction delivered during the first half of 2009 and/or in previous years, assessed on the basis of the estimate of costs incurred in the past for similar vessels.
The provision for risks on equity investments covers the negative portion of shareholders' equity of the subsidiaries Piaggio China Co. Ltd and AWS do Brasil, as well as charges that may arise from the liquidation/merger procedures of some foreign companies of the Group.
The provision for contractual risks is primarily allocated by the Piaggio group for burdens that could derive from the negotiation of a supply contract in progress.

Other provisions for risks and charges mainly comprise the provision for legal risks set aside by the Piaggio group for 6,018 thousand euros and the provision for personnel risks set aside by Intermarine S.p.A. for 809 thousand euros.

- G6 - DEFERRED TAX LIABILITIES 52,351

The "Deferred tax liabilities" item refers to tax payables provisioned by the individual companies on the basis of applicable national laws. The balance is offset by 5,474 thousand euros of deferred tax assets, consistent by due date and by nature, and the net amount falling due within 12 months is 615 thousand euros. Deferred tax liabilities are mainly recorded by the Piaggio group for 30,7 million euros, in particular Piaggio & C. S.p.A. as a result of taxes calculated on the registration of Aprilia brand, by the Parent company Immsi S.p.A. for around 21.1 million euros mainly for the evaluation at fair value of the real estate investment in Via Abruzzi – Rome for a total of 19.7 million euros, as well as for the capital gain by instalments on the real estate sales concluded in 2005, and by the Rodriquez group for around 0.6 million euros.

- G7 - CURRENT TAXATION 39,980

The "Current taxation" item, which includes tax payables allocated in relation to tax charges referring to individual companies on the basis of applicable national laws, increases by 18,527 thousand euros compared to the year end of 2008, and is as follows:

In thousands of euros	*Balance at 30.06.2009*	*Balance at 31.12.2008*
Amounts due for income tax	11,664	2,456
VAT payables	13,006	3,962
Amounts due for withtholding tax	5,903	7,245
Amounts due for local taxes	5	0
Other payables	9,402	7,790
TOTAL	**39,980**	**21,453**

Amounts due for income tax and VAT payables refer mainly to the Piaggio group.
Amounts due for withholding tax are mainly recorded against withholdings on salaries, on termination payments and self-employed income.
It is noted that the Parent Company has undersigned with Piaggio & C. S.p.A., Rodriquez Cantieri Navali S.p.A., Intermarine S.p.A., Conam S.p.A., Apuliae S.p.A., RCN Finanziaria S.p.A., ISM Investimenti S.p.A. and Rodriquez Marine System S.r.l. a national fiscal consolidated contract, therefore payables, advance payments and withholdings suffered were transferred at the end of the period to the fiscal consolidated company. Immsi S.p.A., as the consolidating company, reports in its own financial statements both the amount due to the companies transferring fiscal losses and tax credits and the amount due to companies transferring a taxable amount (at the time of consolidation) set off respectively against the credit or the cumulative payables with the tax authorities.

- H - INFORMATION ON THE MAIN INCOME STATEMENT ITEMS

Amounts are stated in thousands of euros unless otherwise indicated.

Before analysing the individual headings, it is pointed out that the general comments on costs and revenues are contained in the Interim Management Report, in accordance with art.2428 of the Italian Civil Code.

- H1 - NET REVENUES 862,890

The revenues from sales and services at 30 June 2009 of the Group total 862,890 thousand euros, of which 795,626 thousand euros attributable to the industrial sector, 64,844 thousand euros to the naval sector and the balance to the property sector (2,420 thousand euros).
This item is stated net of premiums given to customers and it does not include transport costs recharged to customers and the recovery of advertising costs invoiced, which are shown under other operating income. Moreover, revenues do not include recharges for condominium fees, offset with the related costs incurred.
Below is a division of the revenues by business sectors and by geographical area of destination, that is, referring to the nationality of the customer.

By business sector

In thousands of euros	*First half of 2009*		*First half of 2008*	
	Amount	***%***	***Amount***	***%***
Property and holding sector	2,420	0.3%	2,390	0.2%
Industrial sector (Piaggio group)	795,626	92.2%	900,333	92.3%
of which 2-wheeled business	593,242	68.8%	687,405	70.4%
of which Commercial Vehicle business	199,884	23.2%	199,613	20.5%
engines and other	2,500	0.3%	13,315	1.4%
Naval sector (Rodriquez group)	64,844	7.5%	73,216	7.5%
TOTAL	**862,890**	**100.0%**	**975,939**	**100.0%**

By geographical area

In thousands of euros	*First half of 2009*		*First half of 2008*	
	Amount	***%***	***Amount***	***%***
Italy	308,561	35.8%	370,095	37.9%
Other European countries	346,327	40.1%	399,868	41.0%
Rest of the World	208,002	24.1%	205,976	21.1%
TOTAL	**862,890**	**100.0%**	**975,939**	**100.0%**

The type of products sold and of the sectors in which the Group operates is such that revenues are seasonal, the first six months being more favourable than the second six-month period.

- H2 - COSTS FOR MATERIALS 496,714

Costs for materials total 496,714 thousand euros, compared to 568,248 thousand euros of the same period in the previous year.

The decrease is essentially related to the drop in production and sales volumes, with the percentage of net revenues from 58.2% in the first half of 2008 to 57.6% in the first half of 2009. This item does not include the recharged costs for an equal amount to customers and the costs relating to assets intended for sale, recorded separately in the specific Income statement item. The table below details the contents of the item:

In thousands of euros	First half of 2009	First half of 2008
Change in inventories of finished products, work in progress and semi-finished products	5,252	(26,612)
Change in capitalised piecework	(784)	(1,712)
Purchase of raw materials and consumables	520,531	630,926
Change in raw materials and consumables	(28,285)	(34,354)
TOTAL	**496,714**	**568,248**

This item includes the costs relating to purchases from the Chinese subsidiary Piaggio Foshan Motorcycles of scooters sold in European markets and engines assembled on scooters produced in Italy for an overall amount of 23,157 thousand euros. These transactions are detailed in related party dealings.

- H3 - COSTS FOR SERVICES AND THE USE OF THIRD PARTY ASSETS 174,757

Costs for services and use of third party assets total 174,757 thousand euros and are detailed in the table below:

In thousands of euros	First half of 2009	First half of 2008
Transport costs*	26,815	29,098
Product warranty costs	6,768	8,104
Advertising and promotion*	22,132	25,564
Work performed by third parties	30,268	42,876
External maintenance and cleaning costs	4,177	4,717
Personnel costs	9,093	9,148
Technical, legal, tax, administrative consultancy, etc.*	17,869	17,151
Promotional material and activities	0	0
Sundry commercial expenses*	10,206	11,945
Energy, telephone, postage costs, etc.	10,234	11,055
Services provided	527	367
Insurance	2,637	2,697
Cost of company boards	2,725	3,062
Sales commissions	2,461	2,537
Part-time staff and staff of other companies	1,146	1,590
Accessory purchase costs	27	29
Market research	0	0
Other costs*	19,688	18,946
TOTAL COSTS FOR SERVICES	**166,773**	**188,886**
Rental instalments of business property	2,955	2,629
Rental instalments for cars, office machines, etc.	362	1,074
Operating lease instalments for plant and machinery	53	172
Other instalments	4,614	3,609
TOTAL COSTS FOR USE OF THIRD PARTY ASSETS	**7,984**	**7,484**
TOTAL COSTS FOR SERVICES AND USE OF THIRD PARTY ASSETS	**174,757**	**196,370**

N.B.: reclassified values given with reference to the first half of 2008 for comparative homogeneity with the first half of 2009.

The costs for services and the use of third parties assets are down by 21,613 thousand euros compared to the same period of the preceding year following a decrease in almost all the main cost items underlined, related also to the reduction in the net revenues of the Group.

- H4 - PERSONNEL COSTS 140,360

Personnel costs comprise the following:

In thousands of euros		
	First half of 2009	*First half of 2008*
Salaries and wages	101,682	109,027
Social security costs	28,894	31,118
Employee leaving indemnity	5,204	4,359
Pension and similar obligations	456	713
Costs for staff reorganization	0	0
Early retirement incentives	0	0
Stock options	1,015	875
Other costs	3,109	1,811
TOTAL	**140,360**	**147,903**

The table below shows the average number of employees by category. For more details on personnel, refer to the specific paragraph in the Interim Management Report of the Immsi Group:

	First half of 2009	*First half of 2008*
Senior managers	136	137
Middle managers and employees	2,655	2,562
Manual workers	4,691	5,288
TOTAL	**7,482**	**7,987**

In the first half of 2009 the cost of personnel dropped by approximately 7.5 million euros (-5.1%) mainly due to a reduction in the work force on average employed compared to the corresponding period in 2008.
It is pointed out that within the sphere of the cost of personnel 1,015 thousand euros have been recorded related to the burdens for stock options as required by the international accounting standards.

- H5 - DEPRECIATIONS OF TANGIBLE ASSETS 20,863

A summary of the deprecations of tangible assets at 30 June 2009 is provided below:

In thousands of euros		
	First half of 2009	*First half of 2008*
Depreciation of property	2,094	2,197
Depreciation of plant and machinery	6,607	7,002
Depreciation of industrial and commercial equipment	10,197	10,943
Depreciation of assets to be given free of charge	571	536
Depreciation of other assets	1,394	1,514
DEPRECIATION OF TANGIBLE ASSETS	**20,863**	**22,192**

- H6 - AMORTISATIONS OF FINITE LIFE INTANGIBLE ASSETS 27,063

Amortisations of intangible assets with a finite life recognised in the first half of 2009 total 27,063 thousand euros and include, under the item “Trademarks and licenses”, 2,993 thousand euros related to the amortization of the Aprilia brand and 1,523 thousand euros related to the amortization of the Moto Guzzi brand, and comprise the following:

In thousands of euros		
	First half of 2009	***First half of 2008***
Amortisation of development costs	16,820	15,632
Amortisation of concessions, patents, industrial and similar rights	5,162	6,353
Amortisation of trademarks and licences	4,597	4,152
Amortisation of software	39	40
Amortisation of other intangible assets with a finite life	445	153
AMORTISATION OF INTANGIBLE ASSETS	**27,063**	**26,330**

As specified in more detail in the Explanatory note on intangible assets, as of 1 January 2004, goodwill is no longer amortised but tested annually for impairment. The test carried out at 31 December 2008 confirmed the full recoverability of the amounts recorded in the financial statements.

- H7 - OTHER OPERATING INCOME 72,211

The “Other operating income” item comprises:

In thousands of euros		
	First half of 2009	***First half of 2008***
Gains on disposal of tangible assets	20	40
Sponsorships	2,528	2,596
Grants	6,591	7,127
Recovery of sundry costs	27,519	33,868
Licence rights	869	755
Sale of materials and sundry equipment	180	404
Insurance settlements	4,280	87
Increases for capitalised internal construction	20,436	16,729
Reversal of depreciation of tangibile assets	0	0
Reversal of amortization of intangibile assets	0	0
Reversal of provisions for risks and other provisions	290	291
Active instalments	2,976	6,731
Other operating income	6,522	5,728
TOTAL	**72,211**	**74,356**

The other operational income has decreased compared to the corresponding period of the preceding year for 2,145 thousand euros, particularly due to a significant reduction in the active instalments (essentially referred to the proceeds for the lease of racing bikes to the teams taking part in the world motorcycling Championship) and the recovery of sundry costs, only partially compensated for by growth in the increases due to fixed assets for in-house work.

Recorded under “Recovery of sundry costs” (less the amount in reduction of costs incurred) are transport costs recharged to customers, the charges for which are classified under “Costs for services and use of third party assets”.
The item includes moreover operational income accrued following operations with related parties especially with Piaggio Foshan for 825 thousand euros.

- H8 - OTHER OPERATING COSTS 22,405

The “Other operating costs” item totals 22,405 thousand euros at 30 June 2009 and comprises the following:

In thousands of euros		
	First half of 2009	*First half of 2008*
Losses on disposal of tangible assets	41	7
Taxation (not on the income)	2,816	2,750
Provisions for product warranty	7,690	8,114
Provisions for future and other risks	2,863	1,477
Write-down of trade receivables (including provisions to bad debt reserve)	1,288	1,836
Other operating costs	7,707	3,303
TOTAL	**22,405**	**17,487**

Overall, other operating costs increased by 4,918 thousand euros compared to the same period of the previous year, mainly due to the costs of restoring assets following the flooding of the river Magra at the Intermarine yard in Sarzana. Besides these costs there is substantial compensation under the item Other Operating Income among the item Insurance Indemnification.

- H9 - FINANCIAL INCOME 6,639

Financial income recognised by the Group at 30 June 2009 is detailed below:

In thousands of euros		
	First half of 2009	*First half of 2008*
Interest receivable	2,002	2,055
Other Interest receivable	40	509
Gains on disposal of securities	0	5,884
Exchange gains	3,580	8,831
Dividends	0	2,594
Other income	1,017	725
TOTAL	**6,639**	**20,598**

The decrease of 13,959 thousand euros mainly derives from not recording the dividends received from Unicredit S.p.A. (as already described before in this document) as well as a reduction of 5,251 thousand euros in the profits on foreign exchange. In addition, it should be remembered that the balance of the first half of 2008 included recording capital gains of 5,884 thousand euros, accomplished by the Parent Company Immsi S.p.A. on the sale of 1.5 million Unicredit shares.

- H10 - FINANCIAL CHARGES 29,669

The financial charges at 30 June 2009 are detailed below:

In thousands of euros		
	First half of 2009	***First half of 2008***
Interest payable on bank loans	11,755	10,375
Interest payable on loans from third parties	4,388	4,673
Interest payable on bonds	6,429	7,894
Other interest payable	1,417	1,786
Fees payable	390	379
Loss on disposal of securities	1,340	0
Exchange losses	3,822	9,751
Financial component: retirement reserves and employee leaving indemnity	11	0
Other charges	117	682
TOTAL	**29,669**	**35,540**

The financial charges at 30 June 2009 decreased by 5,871 thousand euros, of which 5,929 thousand euros relative to losses on exchange rates.

- H11 - TAXATION 18,656

The expected income tax charge at 30 June 2009 for the companies consolidated on a line-by-line basis amounts to 18,656 thousand euros, with an incidence on the earnings before taxation of 62%, equal to the best estimate of the expected weighted average rate for the whole year. The 2009 tax rate differs significantly from that of the same period of 2008 (equal to 25.1%) primarily as a result of the registration of taxes paid in advance by Piaggio & C. S.p.A. in 2008 correlated to fiscal losses of previous years.

- H12 - GAIN/LOSS ON THE DISPOSAL OF ASSETS 0

At the balance sheet date there are no gains or losses from assets intended for sale or disposal, as well as for the previous year.

- H13 - EARNINGS FOR THE PERIOD 4,311

The Immsi Group earnings for the period total 11,424 thousand euros, of which 7,113 pertaining to minority interest.

- I - COMMITMENTS, RISKS AND GUARANTEES

As regards the main commitments, risks and guarantees, where not specifically updated in these Notes, please refer to the contents of the Explanatory and Additional Notes on the consolidated financial statements contained in the Report of the Directors and Financial Statements of the Immsi Group at 31 December 2008 for a general overview of the Group.

- L - RELATED PARTY DEALINGS

Reference should be made to the relevant paragraph as regards the main business relations of Group companies with related parties.

- M - FINANCIAL POSITION

The Immsi Group net financial position at 30 June 2009 is shown below. Further details of the main components are provided in the tables in the Interim Management Report and the related information below them:

(in thousands of euros)	***30.06.2009***	***31.12.2008***	***30.06.2008***
Cash and cash equivalent	-168,851	-55,353	-102,511
Other short-term financial assets	-24,256	-6,707	-31,534
Medium- and long-term financial assets	0	0	0
Short-term financial payables	369,656	332,752	280,340
Medium- and long-term financial payables	417,234	338,187	369,471
Net financial debt	**593,783**	**608,879**	**515,766**

- N - DIVIDENDS PAID

As proposed by the Board of Directors of 24 March 2009 and approved by the Ordinary Shareholders' Meeting of 29 April 2009, the Parent Company distributed no dividends during the first half of 2009 (related to a distribution of profits for the year 2008), in order to further strengthen its assets, also in light of the duration and the implications of the crisis of the international markets.

It should be remembered that during the first half of 2008, Immsi S.p.A. had distributed dividends (relating to the distribution of the profit for 2007, as per the shareholders' resolution on 13 May 2008) equal to 0.03 euros for common stock for a total of 10,296 thousand euros.
The Parent company did not issue shares other than ordinary shares.

- O - EARNINGS PER SHARE

Earnings per share

Earnings per share is calculated by dividing the net consolidated income attributable to Parent company shareholders by the average weighted number of ordinary shares in circulation during the period, from which own shares held are excluded. The average number of shares in circulation is calculated by using the principle of retrospectively applying the changes in the number of shares in circulation.

	30.06.2009	30.06.2008
Net profit attributable to ordinary shareholders (euros)	4,311,000	26,316,000
Average weighted number of shares in circulation during the year	340,530,000	342,893,333
Basic earnings per share	**0.013**	**0.077**

Diluted income per share

Diluted income per share is calculated by dividing the net consolidated income for the year attributable to Parent company ordinary shareholders by the average weighted number of shares in circulation during the year, taking account of the diluting effect of potential shares. Excluded from this calculation are any own shares held. In determining the average number of potential shares in circulation, the average fair value of the shares referred to the individual period of reference is used. The Company has no category of potential ordinary shares at 30 June 2009.

- P - INFORMATION ON FINANCIAL INSTRUMENTS

Below we summarise the information related to the financial instruments, the risks connected with them, as well as the "sensitivity analysis" in accordance with the requirements of IFRS 7 that came into force on 1 January 2007.
The following table shows the financial instruments of the Immsi Group registered in the financial statements at 30 June 2009 and 31 December 2008:

In thousands of euros	30 June 2009	31 December 2008
ASSETS		
NON-CURRENT ASSETS		
Other financial assets	***0***	***0***
Financial receivables	0	0
CURRENT ASSETS		
Other financial assets	***24,256***	***6,707***
Financial receivables	46	656
Financial assets	24,210	6,051
LIABILITIES		
NON-CURRENT LIABILITIES		
Financial liabilities	***417,234***	***338,187***
Bonds	119,239	120,873
Amounts due to banks	252,339	172,273
Amounts due under finance leases	8,765	9,200
Amounts due to other lenders	36,891	35,841
CURRENT LIABILITIES		
Financial liabilities	***369,656***	***332,752***
Amounts due to banks	331,412	316,122
Amounts due under finance leases	784	769
Amounts due to other lenders	37,460	15,861

Financial assets

The item of financial Assets refers for 23,870 thousand euros to the subscription of certificates of deposit issued by an Indian Social Security institute made by the Indian subsidiary of Piaggio & C. S.p.A. in order to use the temporary liquidity efficiently. These securities that are intended to be held until expiration are reported at the amortised cost according to the method of the real interest rate.

Current and non-current liabilities

The current and non-current liabilities are fully commented upon within the Explanatory Notes in the paragraph on the financial liabilities. In that section the debt is divided by type and detailed by expiration.

Lines of credit

At 30 June 2009 the most important irrevocable credit lines until expiry refer to the Piaggio group unless otherwise indicated, and comprise:

- a line of 196,000 thousand euros that expires within 2012, articulated by financing with amortisation and opening of credit fully reimbursable at expiration;
- an outline agreement with a pool of banks for granting credit lines for a total amount of 70,300 thousand euros that expires in December 2011, which can be used as credit up to 80% and as an advance on credits up to 60%;
- a line of 29,000 thousand euros that expires in December 2009;
- a financing of 150,000 thousand euros that expires in February 2016;
- a financing of 25,000 thousand euros that expires in September 2013;
- a financing to Intermarine S.p.A. of 42,000 thousand euros that expires in September 2010.

Warrants and financial instruments

Within the sphere of the agreements signed in December 2004 on the occasion of the acquisition of Aprilia, Piaggio & C. S.p.A. issued warrants for Aprilia's credit banks and financial instruments for the selling shareholders fully commented on in the Explanatory Notes in the paragraph on Intangible assets.

Management of financial risks

In the Piaggio group the governance of the Treasury functions and management of the financial risks is centralized. The treasury operations are performed in the sphere of policy and formalized guidelines, valid for all the companies in the group.

Management of capital and liquidity risk

The Parent Company Immsi S.p.A. operates with financing for the Group's subsidiaries or by issuing guarantees finalized at facilitating their supply: the above operations are regulated under normal market conditions.
The cash flows and the necessities for credit lines of the Piaggio group are monitored or managed centrally under the control of the Group Treasury with the objective of guaranteeing an effective and efficient management of the financial resources as well as optimizing the profile of the expirations of the debt. Piaggio & C. S.p.A. finances the temporary cash needs of the companies in the group holding current account relations with its subsidiaries, also with automatic daily balancing procedures (cash-pooling), regulated under normal market conditions.

For greater coverage of the risk of liquidity, at 30 June 2009 the Immsi Group had unused credit lines available for 370,241 thousand euros (435,248 thousand euros at 31 December 2008) of which 182,251 with expiration within 12 months and 187,990 thousand euros with following expiration. Unused credit lines available for the Parent company Immsi S.p.A. total 29,600 thousand euros at 30 June 2009.

Management of the exchange rate risk

The Group operates in an international context in which the transactions are conducted in different currencies to the euro and this exposes it to the exchange rate risk. In particular the Piaggio group even since 2005 has adopted a policy on exchange rate risk management with the objective of neutralizing the possible negative effects of the variations in the exchange rates on the business cash-flow. The policy requires coverage of the economic risk, that concerns the variations in business profitability in relation to what is annually planned in the economic budget on the basis of a reference exchange rate (the so-called “budget exchange rate”) for at least 66% of the exposure by using derivative contracts. The policy moreover requires full coverage of the transaction risk, that concerns the differences between the exchange rate recorded in the financial statements of receivables or payables in currency and that of recording the related collection or payment by using the natural compensation of the exposure (netting between sales and purchases in the same foreign currency), signing the derivative contracts of forward sale or purchase in foreign currency as well as advance payments of credits in foreign currency. The group is moreover exposed to the transferring risk, deriving from the conversion in euro of financial statements of subsidiary companies drawn up in different currencies to the euro made in the process of consolidation. The policy adopted by the group does not require coverage of this type of exposure also in relation to its modest amount. Following the net balance of the cash flows of the main currencies, while for the derivative contracts on the exchange rates in being at 30 June 2009 reference is made to the list in the illustrative note, in the paragraph regarding the financial liabilities.

	Amounts in millions of euros	
	Cash Flow first half of 2009	Cash Flow first half of 2008
Pound sterling	5.6	7.4
Indian rupee	19.8	10.8
Croatian kuna	6.3	7.5
US dollar	8.3	10.5
Canadian dollar	3.4	1.0
Swiss franc	3.7	4.0
Chinese yuan*	(25.4)	(21.8)
Japanese yen	(15.8)	(11.9)
Total cah flow in foreign currency	**5.9**	**7.5**

* flow settled in euro

Also the Rodriquez group covers the risks deriving from swings in the rates of exchange through specific operations tied to the single orders that require billing in currencies other than the euro.

In consideration of the above, hypothesizing an appreciation of 3% of the mean exchange rate of the euro on the portion of the economic exposure not covered on the main currencies observed in 2008, the consolidated operating income would be reduced by around 0.1 million euros.

Management of the interest rate risk

The exposure to the interest rate risk derives from the necessity to finance the operational activities, both industrial and financial, as well as whether to use the available liquidity. The variation in the interest rates can affect the costs and the yields of the operations of financing and investment. The Group regularly measures and checks its exposure to the risk of variation in the interest rates and it also manages such risks by resorting to derivatives, mainly forward rate agreement and interest rate swap, according to what is established by its administration policies. At 30 June 2009 the floating rate indebtedness, net of the financial assets, was equal to 326,3 million euros. As a result an increase or decrease of 1% of the Euribor above this net exposure would have produced greater or smaller interest equal to 3.3 million euros per year.

Credit risk

The Group considers its exposure to the risk of credit to be the following:

In thousands of euros	*30 June 2009*	*31 December 2008*
Cash and cash equivalents	168,851	55,353
Financial assets	24,210	6,051
Financial receivables	46	656
Trade receivables	257,789	113,341
Total	***450,896***	***175,401***

The Piaggio group monitors or manages the credit at central level via formalized policies and guidelines. The portfolio of the commercial credits does not present concentrations of credit risk in relation to good dispersion toward the network of dealers or distributors. Additionally most of the commercial credits have a short-term time profile. To optimize administration, the group has revolving programmes of without recouses ("*pro-soluto*") transfer of the commercial credits with some leading factoring companies both in Europe and in the United States of America.
With reference to the Rodriquez group, that by business type can present concentrations of credits with a few customers, it is noted that for the Military division the most significant customers under the quantitative profile are represented by public bodies while in general the production to order requires substantial advance payments by the customer with advancement of the works thereby reducing the credit risk.

LIST OF COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS AND EQUITY INVESTMENTS AT 30 JUNE 2009, IN ACCORDANCE WITH ARTICLES 38 AND 39 OF ITAL.LEGISL.DECREE 127/1991

Company Name	Currency	Share Capital (subscribed and paid-up)	% of Share Capital owned	% voting rights (if different)
LIST OF COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS ON A LINE-BY-LINE BASIS				
Immsi S.p.A. P.zza V. Pareto, 3 - 46100 Mantova Parent Company	Euro	178,464,000.00		
Apuliae S.p.A. P.zzetta Riccardi, 11 - 73100 Lecce Immsi S.p.A. equity investment: 85.00%	Euro	1,520,000.00	85.00%	
ISM Investimenti S.p.A. Via P. Verri, 1 - 46100 Mantova Immsi S.p.A. equity investment: 71.43%	Euro	5,000,000.00	71.43%	
Pietra S.r.l. Via Vivaio, 6 - 20121 Milano Immsi S.p.A. equity investment: 77.78%	Euro	40,000.00	77.78%	
Is Molas S.p.A. Località Is Molas – 09010 Pula (CA) ISM Investimenti S.p.A. equity investment: 60.00%	Euro	7,510,000.00	60.00%	
Immsi Audit S.c.a.r.l. P.zza Vilfredo Pareto 3 - 46100 Mantova Immsi S.p.A. equity investment: 25.00% Is Molas S.p.A. equity investment: 25.00% Piaggio & C. S.p.A. equity investment: 25.00% Rodriquez Cantieri Navali S.p.A. equity investment: 25.00%	Euro	40,000.00	100.00%	
RCN Finanziaria S.p.A. Piazza Vilfredo Pareto, 3 - 46100 Mantova Immsi S.p.A. equity investment: 63.18%	Euro	32,135,988.00	63.18%	
Piaggio & C. S.p.A. v.le Rinaldo Piaggio, 25 - 56025 Pontedera (PI) – Italy Immsi S.p.A. equity investment: 53.59%	Euro	205,941,272.16	53.59%	57.58%
Aprilia Racing S.r.l. v.le Rinaldo Piaggio, 25 - 56025 Pontedera (PI) – Italy Piaggio & C. S.p.A. equity investment: 86.00% Nacional Motor S.A. equity investment: 14.00%	Euro	150,000.00	100.00%	
Aprilia World Service B.V. c/o Fortis Intertrust – Prince Bernhardplein, 200 1097 JB Amsterdam (Holland) Piaggio & C. S.p.A. equity investment: 100.00%	Euro	6,657,500.00	100.00%	
Derbi Racing S.L. Calle La Barca 5-7, 08107 Martorelles Barcellona (Spain) Nacional Motor S.A. equity investment: 100.00%	Euro	1,263,000.00	100.00%	
Moto Laverda S.r.l. *** v. Galileo Galilei, 15 - 30033 Noale (VE) - Italy Piaggio & C. S.p.A. equity investment: 100.00%	Euro	80,000.00	100.00%	
Nacional Motor S.A. Calle Barcelona, 19 - 08107 Martorelles Barcellona – Spain Piaggio & C. S.p.A. equity investment: 98.01% Aprilia World Service B.V. equity investment: 1.99%	Euro	9,368,904.00	100.00%	
P & D S.p.A. *** v.le Rinaldo Piaggio, 25 - 56025 Pontedera (PI) – Italy Piaggio & C. S.p.A. equity investment: 100.00%	Euro	416,000.00	100.00%	
Piaggio Asia Pacific PTE Ltd. 240 Macpherson Road # 02-02 - Pines Industrial Building 348574 Singapore Piaggio Vespa B.V. equity investment: 100.00%	SGD	100,000.00	100.00%	
Piaggio Deutschland Gmbh Marie-Curie Strasse 8 - 50170 Kerpen (Germany) Piaggio Vespa B.V. equity investment: 100.00%	Euro	5,113,500.00	100.00%	
Piaggio Finance S.A. 10-21, Boulevard du Prince Henri L-1724 Luxembourg RCS Luxembourg B 107.430-c/o SEB Societé Europeenne de Banque Piaggio & C. S.p.A. equity investment: 99.99%	Euro	31,000.00	99.99%	
Piaggio France S.A.S. 21, Rue Georges Boisseau, 92586 Clichy Cedex (France) Piaggio Vespa B.V. equity investment: 100.00%	Euro	1,209,900.00	100.00%	

Company Name	Currency	Share Capital (subscribed and paid-up)	% of Share Capital owned	% voting rights (if different)
Piaggio Group Americas, Inc. 140 East 45th Street, 17th Floor New York, NY 10017 - U.S.A. Piaggio Vespa B.V. equity investment: 100.00%	USD	561,000.00	100.00%	
Piaggio Group Japan 3-22-5-402 Shinyokohama Kouhoku-ku Yokohama shi - Kanagawa 222-0033 – Japan Piaggio Vespa B.V. equity investment: 100.00%	YEN	3,000,000.00	100.00%	
Piaggio Hellas S.A. 259, Imitu Street - 11631 Atene (Greece) Piaggio Vespa B.V. equity investment: 100.00%	Euro	2,704,040.00	100.00%	
Piaggio Hrvatska D.o.o. Kralja Stjepana Drzislava 7, 21000 Spalato (Croatia) Piaggio Vespa B.V. equity investment: 75.00%	HRK	400,000.00	75.00%	
Piaggio Limited 153-155 Masons Hill Linden House BR29HY Bromley Kent (UK) Piaggio Vespa B.V. equity investment: 99.9996% Piaggio & C. S.p.A. equity investment: 0.0004%	GBP	250,000.00	100.00%	
Piaggio Portugal Limitada *** Campo Grande n. 35 – 5° B Lisbona 16003100 (Portugal) Piaggio Vespa B.V. equity investment: 100.00%	Euro	5,000.00	100.00%	
Piaggio Vehicles Private Limited E-2, MIDC Area Baramati 413-133 Dist. Pune, Maharashtra, India Piaggio & C. S.p.A. equity investment: 99.999997% Piaggio Vespa B.V. equity investment: 0.000003%	INR	340,000,000.00	100.00%	
Piaggio Vespa B.V. Hoevestein, 48 – 4903 SC Oosterhout NB, (The Netherlands) Piaggio & C. S.p.A. equity investment: 100,00%	Euro	91,000.00	100.00%	
Piaggio Vietnam Co. Ltd. Lot M Binh Xuyen Industrial Zone Vinh Phuc Province, Vietnam (registered office) Floor 15, Vit Tower, 519 Kim Ma Str., Ba Dinh District, Hanoi, Vietnam (operational headquarters) Piaggio & C. S.p.A. equity investment: 51.00% Piaggio Vespa B.V. equity investment: 36.50%	VND	64,751,000,000.00	87.50%	
Rodriquez Cantieri Navali S.p.A. V. S. Raineri, 22 - 98122 Messina RCN Finanziaria S.p.A. equity investment: 100.00%	Euro	14,040,000.00	100.00%	
Rodriquez Engineering S.r.l. *** v. S. Raineri, 22 - 98122 Messina Rodriquez Cantieri Navali S.p.A. equity investment: 100.00%	Euro	119,756.00	100.00%	
Intermarine S.p.A. Via Alta - 19038 Sarzana (La Spezia) Rodriquez Cantieri Navali S.p.A. equity investment: 100.00%	Euro	10,000,000.00	100.00%	
Conam S.p.A. Via Provinciale Pianura - Loc. S. Martino, 15 80078 Pozzuoli (Napoli) Rodriquez Cantieri Navali S.p.A. equity investment: 100.00%	Euro	1,500,000.00	100.00%	
Rodriquez Cantieri Navali do Brasil Ltda. Rua Miguel de Lemos n. 53 - Ponta da Areia – Niteroi – RJ CEP 24040-260 Rodriquez Cantieri Navali S.p.A. equity investment: 100.00% less 1 share of 1 R$ hold by Intermarine S.p.A.	R$	1,068,150.00	100.00%	
Rodriquez Yachts S.r.l. *** Via S. Raineri, 22 - 98122 Messina Rodriquez Cantieri Navali S.p.A. equity investment: 95.00% Rodriquez Marine System S.r.l. equity investment: 5.00%	Euro	22,289.00	100.00%	
Rodriquez Marine System S.r.l. Via S. Raineri, 22 - 98122 Messina Rodriquez Cantieri Navali S.p.A. equity investment: 90.00%	Euro	46,800.00	90.00%	
Rodriquez Pietra Ligure S.r.l. Via Vivaio, 6 – 20122 Milano Rodriquez Cantieri Navali S.p.A. equity investment: 100.00%	Euro	20,000.00	100.00%	

Company Name	Currency	Share Capital (subscribed and paid-up)	% of Share Capital owned	% voting rights (if different)
EQUITY INVESTMENTS IN SUBSIDIARIES, ASSOCIATED AND JOINT CONTROL COMPANIES VALUED USING THE EQUITY METHOD				
Aprilia Brasil S.A.*** Av.da Carvalho Leal n° 1336, 2° andar, Manaus - Brazil Aprilia World Service Holding do Brasil Ltda equity investment: 51.00%	R$	2,020,000.00	51.00%	
Aprilia World Service Holding do Brasil Ltda. Rua Professor Alceu Maynard de Araujo, 121 Térreo, San Paolo – Brazil Piaggio Group Americas Inc. equity investment: 99.99995%	R$	2,028,780.00	99.99995%	
Piaggio China Co. LTD Suite 1901, 19/F, Cheung Kong Center, 2 Queen's Road Central Hong Kong Piaggio & C. S.p.A. equity investment: 99.999992%	USD	12,100,000.00	99.999992%	
Zongshen Piaggio Foshan Motorcycle Co. LTD. Zhenxing Road, Chengxi Industrial Zone, Zhangcha, Foshan City Guangdong Province - 52800 CHINA Piaggio & C. S.p.A. equity investment: 32.50% Piaggio China Co. LTD equity investment: 12.50%	USD	29,800,000.00	45.00%	
EQUITY INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANIES VALUED USING THE COST METHOD				
Acciones Depuradora Soc. Coop. Catalana Limitada Agrupacio d'Industrials del Baix Valles Doctor Lluis duran, 76 2° 08100 Mollet del Valles Barcelona (Spain) Nacional Motor S.A. equity investment: 22.00%	Euro	60,101.21	22.00%	
Pont - Tech, Pontedera & Tecnologia S.c.r.l. v.le Rinaldo Piaggio, 32 - 56025 Pontedera (PI) – Italy Piaggio & C. S.p.A. equity investment: 20.44%	Euro	884,160.00	20.44%	
S.A.T. Societé d'Automobiles et Triporteurs S.A. 128 Avenue Jugurtha, Mutueville, 1082 Tunisi (Tunisia) Piaggio Vespa B.V. equity investment: 20.00%	TND	210,000.00	20.00%	
Rodriquez Mexico *** Altamirano 750 Col El Esterito La Paz, BCS CP 23020 - Mexico Rodriquez Cantieri Navali S.p.A. equity investment: 50.00%	Pesos	50,000.00	50.00%	
Consorzio CTMI - Messina Via S. Raineri, 22 – 98122 Messina Rodriquez Cantieri Navali S.p.A. equity investment: 42.12%	Euro	53,040.00	42.12%	
Rodriquez Charter & Broker S.r.l. *** Via S. Raineri, 22 - 98122 Messina Rodriquez Yachts S.r.l. equity investment: 100.00%	Euro	10,000.00	100.00%	
Fondazione Piaggio Onlus v.le Rinaldo Piaggio, 7 - 56025 Pontedera (PI) – Italy Piaggio & C. S.p.A. equity investment: 50.00%	Euro	103,291.38	50.00%	

*** Non-operating company or company in liquidation.

Group and Related Parties dealings

As regards the information to be provided on related party transactions in accordance with IAS 24 (Related Party Disclosures), it should be pointed 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 half of 2009.

In detail the main effects on the income statement and on the balance sheet of the operations with Related Parties and their incidence on each item in the financial statements shown in the consolidated data of the Immsi Group at 30 June 2009 are given in the table below. The effects on the income statement and on the balance sheet deriving from consolidated intragroup operations have been removed.

Main income statement and balance sheet items	Amounts in €/000	% incidence on balance sheet items	Description of the transactions
Transactions with Related Parties:			
Current trade payables	*487*	*0.1%*	*Legal advice provided by St. d'Urso Gatti e Associati to the Group*
Costs for services and the use of third party assets	*122*	*0.1%*	*Legal advice provided by St. d'Urso Gatti e Associati to the Group*
Transactions with Parent Companies:			
Tangible assets	*55*	*0.0%*	*Fittings and motor vehicles provided by Omniainvest S.p.A.*
Costs for services and the use of third party assets	*160*	*0.1%*	*Lease of offices in Mantova made available by Omniaholding S.p.A. to the Group*
Transactions with Subsidiaries and Associated companies:			
Other non-current receivables	*497*	*2.5%*	*Receivables from Fondazione Piaggio and AWS do Brasil*
Other current financial assets	*45*	*0.1%*	*Financial assets to Fondazione Piaggio*
Current trade receivables and other receivables	*539*	*0.2%*	*Trade receivables from Fondazione Piaggio and Zongshen Piaggio Foshan*
	1,539	*0.5%*	*Receivables from Consorzio CTMI and Armas Ocean Jets*
Current trade payables	*15,777*	*2.5%*	*Trade payables from Fondazione Piaggio,Piaggio Cina and Zongshen Piaggio Foshan*
	35	*0.0%*	*Payables from Armas Ocean Jets*
Other current payables	*218*	*0.2%*	*Payables from Fondazione Piaggio*
Costs for materials	*23,157*	*4.7%*	*Costs of purchases by Zongshen Piaggio Foshan*
Costs for services and the use of third party assets	*49*	*0.0%*	*Costs of purchases by Zongshen Piaggio Foshan*
Other operating income	*825*	*1.1%*	*Income from Zongshen Piaggio Foshan*

Figures including non-deductible VAT

Finally, with reference to the naval sector, it should be noted that Intesa Sanpaolo S.p.A., minority shareholder of RCN Finanziaria S.p.A., has financing operations in being with the Rodriquez group specified below.
Rodriquez Cantieri Navali S.p.A. has a financial relationship with Intesa Sanpaolo for a value at 30 June 2009 of 15 million euros. This loan granted in late December 2008 is part of a multiborrower line granted to the Parent Company Immsi.
In addition Rodriquez Cantieri Navali S.p.A. has stipulated with Intesa Sanpaolo, in pool with Unicredit and Banca di Roma, a contract to issue guarantees to the customer of the Oman order (performance bonds and guarantees on the advance payments the customer will make) for a total value of 84.5 million USA dollars; the signed credit line is backed by a guarantee of Immsi S.p.A. for 60 million USA dollars and by mortgages on the assets under construction and obligations on the current accounts dedicated to the order. Indebtedness at 30 June 2009, following the discharge of the guarantee for the delivery of boat no. 352, amounts to approximately 44.6 million US dollars, of

which 1/3 from Intesa Sanpaolo.

At 30 June 2009 Rodriquez Cantieri Navali S.p.A. has with Intesa Sanpaolo forward exchange US dollar transactions and options on exchange rates for a total of 15.3 million US dollars. Intesa Sanpaolo has moreover issued loans used for exercising options on exchange rates for 6 million USA dollars.

Intermarine S.p.A. has undersigned a financing contract for a total maximum amount of 42 million euros paid out by Intesa Sanpaolo, whose financial debt for the payment on the insurance indemnity line at 30 June 2009 was 11.1 million euros, guaranteed by 35.000.000 of Piaggio shares owned by Immsi S.p.A.. On the other hand Intermarine S.p.A. has liquidity deposited on Intesa Sanpaolo accounts for a total of 12.6 million euros.

For the other companies in the Rodriquez group there are financial payables for 0.3 million euros.

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 each single item of the balance sheet of Immsi S.p.A. at 30 June 2009:

Main income statement and balance sheet items	Amounts in €/000	% incidence on balance sheet items	Description of the transactions
Transactions with Related Parties:			
Current trade payables	*236*	*18%*	*Legal advice provided by Studio d'Urso Gatti e Associati*
Costs for services and the use of third party assets	*52*	*2.3%*	*Legal advice provided by Studio d'Urso Gatti e Associati*
Transactions with Parent Companies:			
Tangible assets	*55*	*8.8%*	*Fittings and motor vehicles provided by Omniainvest S.p.A.*
Costs for services and the use of third party assets	*105*	*4.8%*	*Lease of offices in Mantova made available by Omniaholding S.p.A.*
Transactions with Associated companies:			
Current trade payables	*25*	*1.9%*	*Contract of internal audit with Immsi Audit S.C.a R.L.*
Operating income	*29*	*1.3%*	*Income for fittings, equipment and services provided to Immsi Audit S.C.a R.L.*
Costs for services and the use of third party assets	*39*	*1.8%*	*Contract of internal audit with Immsi Audit S.C.a R.L.*
Transactions with Subsidiaries:			
Other non-current financial assets and receivables	*15,226* *14,475*	*14.2%* *13.5%*	*Medium-term loan granted to RCN Finanziaria S.p.A. and interest* *Convertible loan granted to RCN Finanziaria S.p.A.. and interest*
Tangible assets	*45*	*7.2%*	*Fittings provided by Is Molas S.p.A.*
Current trade receivables and other receivables	*2,037* *790* *644* *83* *18*	*45.8%* *17.8%* *14.5%* *1.9%* *0.4%*	*Amounts due by the Rodriquez group for recharged costs, rental of offices in Roma, interest, fees and consultancy contract* *Amounts due by Is Molas S.p.A. for recharged costs, consultancy contract, repayment of emoluments and interest* *Amounts due by the Piaggio group for recharged costs, consultancy contract, guarantee fees and repayment of emoluments* *Amounts due by RCN Finanziaria S.p.A. for interest* *Amounts due by Pietra S.r.l. for interest*
Other current financial assets	*12,000* *3,250* *1,100* *1,000* *400*	*30.8%* *8.3%* *2.8%* *2.5%* *1%*	*Loan granted to Rodriquez Cantieri Navali S.p.A.* *Loans granted to Is Molas S.p.A.* *Loans granted to RCN Finanziaria S.p.A.* *Loans granted to ISM Investimenti S.p.A.* *Loans granted to Pietra S.r.l.*
Current financial liabilities	*360*	*0.4%*	*Interest-bearing deposit granted by Apuliae S.p.A.*
Current trade payables	*73* *35*	*5.6%* *2.7%*	*Amounts due to Is Molas S.p.A. for furniture sale* *Amount due to Piaggio & C. S.p.A. for recharged costs*
Other current payables	*5,524* *91* *26*	*84%* *1.4%* *0.4%*	*Payables from national tax consolidation agreement* *Deferred income on consideration by lien for financing Intermarine S.p.A.* *Deferred income for costs recharged to Piaggio & C. S.p.A.*
Financial income	*628*	*4.1%*	*Interest income from RCN Finanziaria S.p.A.*

	532 *48* *20* *12*	*3.5%* *0.3%* *0.1%* *0.1%*	*Interest income and guarantee fees from the Rodriquez group* *Interest income from Is Molas S.p.A.* *Guarantee fees from Piaggio & C. S.p.A.* *Interest income from Pietra S.r.l.*
Operating income	*696* *300* *52*	*30.3%* *13%* *2.3%*	*Consultancy & Assistance contract and rental of offices in Roma and Milano rented to Piaggio & C. S.p.A.* *Consultancy & Assistance contract with Is Molas S.p.A.* *Consultancy & Aassistance contract and rental of offices in Roma rented to Rodriquez Cantieri Navali S.p.A.*
Costs for services and the use of third party assets	*35* *18*	*1.6 %* *0.8%*	*Costs for services provided by Piaggio & C. S.p.A.* *Costs for fittings maintenance provided by Is Molas S.p.A.*
Other operating income	*20* *20*	*9.4%* *9.4%*	*Repayment of emoluments by Piaggio & C. S.p.A.* *Repayment of emoluments by Is Molas S.p.A.*

Figures including non-deductible VAT.

It is noted that 90,000,000 Piaggio shares are deposited with Intesa Sanpaolo as a guarantee for the Bullet – Multi Borrower financing stipulated in the month of December 2008 for a total of 70 million euros of which 30 million granted to ISM Investimenti S.p.A. and 15 million to Rodriquez Cantieri Navali S.p.A..

Immsi, as part of the contract for the supply of 5 catamarans to the Sultanate of Oman for which the Rodriquez 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 Rodriquez Cantieri Navali S.p.A.'s obligations to channel payments. Indebtedness at 30 June 2009, following the discharge of the guarantee for the delivery of boat no. 352, amounts to approximately 44.6 million US dollars, of which 1/3 from Intesa Sanpaolo.

A letter of patronage was issued in the month of May 2008 to Banca Antonveneta guaranteeing financing granted to Rodriquez Cantieri Navali S.p.A., with expiration 31 October 2009, agreed for a total of 5.2 million euros and paid out on 30 June 2009 for 2.6 million euros.

It should be also noted that further to the amendments of the contract stipulated between the Finnish Navy and the subsidiary Intermarine S.p.A., regarding the job order for the construction of three minesweepers, the Finnish Navy committed itself to pay in January 2008, besides the advance payment foreseen by the contract for 32 million euros, two further advanced payments of 16.3 million euros and 600 thousand euros. These accounts are guaranteed, for an amount equal to 115% of the sum received, through insurance guarantees issued by SACE, provided there is the co-obligation of Immsi S.p.A. for an amount equal to 36.8 thousand euros, 18,745 thousand euros and 690 thousand euros.

During the month of April 2009, a financing contract was signed for a total maximum amount of 42 million euros by Intesa Sanpaolo for Intermarine S.p.A., whose residual payment at 30 June 2009 is 11.1 million euros. This financing, with expiration at the end of September 2010, is guaranteed by no. 35,000,000 Piaggio shares equal to 110% of the value of the financed capital. In addition, for the aforesaid financing, Immsi S.p.A. has declared itself as the guarantor of what Intermarine S.p.A. owes Intesa Sanpaolo up to a maximum amount of 50 million euros in the event of non-payment by the subsidiary and committed to maintain control over the above-mentioned company and ensure that the subsidiary has the necessary resources to meet its commitments.

Certification of the half-year condensed financial statements pursuant to art. 154-*bis* of the Ital.Legisl.Decree No. 58/98

The undersigned Roberto Colaninno, as Chairman of the Board of Directors, Luciano La Noce, as Managing Director and Andrea Paroli, Manager in charge of preparing the company accounts and documents of Immsi S.p.A., certify, also taking account of the provisions of art.154-*bis*, paragraphs 3 and 4 of the Ital.Legisl.Decree 58 of 24 February 1998:

- appropriateness in relation to the characteristics of the company and
- actual application

of the administrative and accounting procedures for forming the financial statements during the first half of 2009.

To this regard no relevant aspects have emerged.

In addition, it is certified that the half-year condensed financial statements:

- were drawn up in conformity with the applicable international accounting standards recognized by the European Union in accordance with the regulation (CE) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
- correspond to the documentary results, the registers and the accounting records;
- are appropriate to provide a truthful and correct representation of the issuer's assets and liabilities, profit and loss and financial situation, as well as its consolidated subsidiaries.

The interim management report includes an analysis of the significant events affecting the Company in the first six months of the current fiscal year and the impact of such events on the Company's half-year condensed financial statements as well as a description of the main risks and uncertainties for the second half of the year in addition to an analysis of the information on the significant related party transactions.

27 August 2009

Chairman
Roberto Colaninno

Manager in charge of preparing the company accounts and documents
Andrea Paroli

Managing Director
Luciano La Noce