

**PRESS RELEASE**

**IMMSI GROUP: FIRST QUARTER 2010**

**Parent company Immsi S.p.A.:**

- **Net profit 9.3 mln (net loss € 0.1 mln in Q1 2009)**
- **Net debt € 64.4 mln (€ 80.2 mln at 31.12.2009)**

**Consolidated:**

- **Net sales € 362.9 million (+7.4% from € 337.8 mln in Q1 2009)**
  - **EBITDA € 28.9 mln (+60.3% from € 18 mln in Q1 2009)**
    - **EBITDA margin up to 8% (5.3% in Q1 2009)**
    - **EBIT € 7.4 mln (-3.8 mln € in Q1 2009)**
- **Consolidated net result -1.7 mln € (net loss € 8.9 mln in Q1 2009)**

*Milan, 14 May 2010* – At a meeting today in Milan chaired by Roberto Colaninno, the Immsi S.p.A. Board of Directors examined and approved the Group figures for the first quarter of 2010.

**Consolidated net sales** for the three months to 31 March 2010 totalled € 362.9 million, up 7.4% from € 337.8 million in the first quarter of 2009. Of the total, approximately 94% arose in the industrial sector (Piaggio Group), approximately 6% in the shipbuilding sector (Rodriquez Group) and the remainder from the real estate sector and holding (Immsi S.p.A. and Is Molas S.p.A.).

In the **industrial sector**, 2010 first-quarter net sales were € 340.6 million, an increase of 11.2% from € 306.3 million in the year-earlier period. The improvement was due in particular to the success of the Piaggio Group on the Asian two-wheeler market – after the launch of industrial and marketing operations in Vietnam – and on the Indian commercial vehicles market. In addition, the Piaggio Group reported growth in sales volumes and market share in the two-wheeler business on its domestic European market, despite weak demand. Overall, the Piaggio Group shipped 143,730 vehicles worldwide in the first quarter of 2010 (two wheelers and commercial vehicles), to report volume growth of 19.7% compared with the first three months of 2009.

In the **shipbuilding sector** (Rodriquez Group), consolidated net sales for the first quarter to 31 March 2010 amounted to € 21.2 million, down from € 30.6 million in the year-earlier first quarter. The decrease arose at the parent company Rodriquez Cantieri Navali S.p.A. and the subsidiary Intermarine S.p.A., which was affected in particular by production delays at the

Sarzana shipyard caused by flooding when the river Magra broke its banks in January and again in December 2009.

In the **real estate sector**, net sales at 31 March 2010 were € 1.1 million, up from € 0.9 million in the first three months of 2009, an increase generated by growing tourism at the Is Molas complex and higher rental income at Immsi S.p.A..

**Consolidated EBITDA** for the first quarter to 31 March 2010 was € 28.9 million, up 60.3% from € 18 million in the year-earlier period. The **EBITDA margin** also made significant progress, rising from 5.3% in the first quarter of 2009 to 8% in the first quarter of 2010, thanks to higher turnover and constant monitoring of production costs.

**Consolidated EBIT** for the first quarter of 2010 was € 7.4 million, an increase of € 11.2 million on the year-earlier period, which reported negative EBIT of € 3.8 million. Amortisation and depreciation for the quarter amounted to € 21.5 million, consisting of depreciation of property, plant and equipment for € 10.1 million and amortisation of intangible assets for € 11.4 million.

**Earnings before tax** for the quarter to 31 March 2010 totalled € 131,000, compared with a pre-tax loss of € 16.7 million in the first quarter of 2009.

After tax and minority interests, the Group posted a **consolidated net loss** of € 1.7 million for the quarter to 31 March 2010, compared with a net loss of € 8.9 million in the year-earlier period.

Group **net debt** at 31 March 2010 stood at € 706 million, an increase of € 68 million from 31 December 2009, and a decrease of € 16.4 million from 31 March 2009. The increase in Immsi Group net debt with respect to 31 December 2009 reflects the impact of the seasonal factors typical of the Group's industrial business, where the main financing requirements are concentrated in the first three months of the year.

Group **consolidated shareholders' equity** at 31 March 2010 was € 639.1 million, from € 620.6 million at 31 December 2009.

### **Parent company Immsi S.p.A.**

The parent company Immsi S.p.A. reported a **net profit** for the period of € 9.3 million, compared with a net loss of € 0.1 million in the year-earlier period, largely as a result of higher finance income.

Specifically, in March 2010, 10 million Piaggio shares were sold to Banca IMI for proceeds totalling € 22.1 million and a capital gain – before tax – of approximately € 9.6 million. In January 2010, after the rights issue approved by Unicredit (in which Immsi S.p.A. holds approximately 9.3 million shares), the parent company sold on the market the rights it had been assigned (one right for each share held), realising proceeds and a gross capital gain of € 0.9 million.

In accordance with the Group accounting principles, the capital gain on the sale of Piaggio shares does not generate effects on consolidated net profit.

The **net debt** of the parent company Immsi S.p.A. at 31 March 2010 stood at € 64.4 million, a decrease of approximately € 15.8 million on the figure at 31 December 2009 (€ 80.2 million).

### **Events after 31 March 2010 and full-year outlook**

No significant events took place after 31 March 2010 at the parent company Immsi S.p.A. and the other companies in the real estate sector and the holding.

In the industrial sector, on 5 May 2010 the Moody's Investor Service rating agency upgraded its outlook on the Piaggio & C. S.p.A. Ba2 ratings from negative to stable. Announcing the upgrade, Moody's said the decision took account of the increase in Piaggio's EBITDA margin, which rose to 13.5% in 2009 from 12% in 2008.

With regard to the 2010 full-year outlook, in the industrial sector the Piaggio Group will work for the continuous improvement of competitiveness in all markets and sectors where it operates. In 2010 the Piaggio Group will be focusing on new investments, including the industrialisation of the new diesel and turbodiesel engines with the start-up of the production facility in India.

In the shipbuilding business, given the international crisis on the yacht and ferries markets, the Rodriguez Group will operate through a restructuring plan, under which its key focus will be the market segment covered by Intermarine.

\* \* \*

The manager in charge of preparing the company accounts and documents, Andrea Paroli, certifies, in accordance with paragraph 2 Art. 154-bis of Legislative Decree no. 58/1998 (Consolidated Financial Act), that the accounting disclosures in this press release correspond to the documentation, the ledgers and the accounting records.

The data in the quarterly report at 31 March 2010 are not audited.

Immsi S.p.A. said that the Quarterly Report at 31 March 2010 was available for the public at the company head office in Mantua and at Borsa Italiana S.p.A.; it may also be viewed on the company website [www.immsi.it](http://www.immsi.it).

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## Immsi Group reclassified income statement

In thousands of euro	Q1 2010		Q1 2009		Change	
<b>Net sales</b>	<b>362,892</b>	<b>100%</b>	<b>337,847</b>	<b>100%</b>	<b>25,045</b>	<b>7.4%</b>
Cost of materials	210,739	58.1%	197,300	58.4%	13,439	6.8%
Cost of services and use of third-party assets	74,389	20.5%	77,051	22.8%	-2,662	-3.5%
Employee expenses	66,776	18.4%	66,161	19.6%	615	0.9%
Other operating income	27,298	7.5%	30,051	8.9%	-2,753	-9.2%
Other operating costs	9,371	2.6%	9,345	2.8%	26	0.3%
<b>EBITDA</b>	<b>28,915</b>	<b>8.0%</b>	<b>18,041</b>	<b>5.3%</b>	<b>10,874</b>	<b>60.3%</b>
Depreciation of property, plant and equipment	10,110	2.8%	10,382	3.1%	-272	-2.6%
Goodwill amortisation	0	-	0	-	0	-
Amortisation intangible assets with finite life	11,372	3.1%	11,433	3.4%	-61	-0.5%
<b>EBIT</b>	<b>7,433</b>	<b>2.0%</b>	<b>-3,774</b>	<b>-1.1%</b>	<b>11,207</b>	<b>297.0%</b>
Share of result of associates	0	-	-6	0.0%	6	-
Finance income	5,154	1.4%	1,183	0.4%	3,971	335.7%
Finance expense	12,456	3.4%	14,101	4.2%	-1,645	-11.7%
<b>EARNINGS BEFORE TAX</b>	<b>131</b>	<b>0.0%</b>	<b>-16,698</b>	<b>-4.9%</b>	<b>16,829</b>	<b>100.8%</b>
Income tax	2,456	0.7%	-3,787	-1.1%	6,243	164.9%
<b>NET PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>	<b>-2,325</b>	<b>-0.6%</b>	<b>-12,911</b>	<b>-3.8%</b>	<b>10,586</b>	<b>82.0%</b>
Profit (loss) from discontinued operations	0	-	0	-	0	-
<b>NET PROFIT FOR THE PERIOD INCLUDING MINORITY INTERESTS</b>	<b>-2,325</b>	<b>-0.6%</b>	<b>-12,911</b>	<b>-3.8%</b>	<b>10,586</b>	<b>82.0%</b>
Minority interests	-584	-0.2%	-4,038	-1.2%	3,454	85.5%
<b>NET PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE GROUP</b>	<b>-1,741</b>	<b>-0.5%</b>	<b>-8,873</b>	<b>-2.6%</b>	<b>7,132</b>	<b>80.4%</b>

## Immsi Group statement of comprehensive income

	Q1 2010	Q1 2009	Change
<b>NET PROFIT FOR THE PERIOD INCLUDING MINORITY INTERESTS</b>	<b>(2,325)</b>	<b>(12,911)</b>	<b>10,586</b>
Effective component of gains (losses) on cash flow hedges	1,174	3,511	(2,337)
Gains (losses) on translation of financial statements of foreign entities	5,306	(357)	5,663
Fair value gains (losses) on available-for sale assets and investment property	(1,402)	(5,122)	3,720
<b>TOTAL OTHER GAINS (LOSSES) FOR THE PERIOD</b>	<b>5,078</b>	<b>(1,968)</b>	<b>7,046</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>	<b>2,753</b>	<b>(14,879)</b>	<b>17,632</b>
Minority interests	2,308	(2,416)	4,724
<b>GROUP COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>445</b>	<b>(12,463)</b>	<b>12,908</b>

## Immsi Group reclassified balance sheet

In thousands of euro	<b>31.03.2010</b>	<i>in %</i>	<b>31.12.2009</b>	<i>in %</i>	<b>31.03.2009</b>	<i>in %</i>
<b>Current assets:</b>						
Cash and cash equivalents	143,335	6.3%	206,508	9.2%	78,698	3.5%
Financial assets	8,158	0.4%	4,462	0.2%	19,396	0.9%
Operating assets	746,939	32.6%	650,411	28.9%	727,023	32.8%
<b>Total current assets</b>	<b>898,432</b>	<b>39.2%</b>	<b>861,381</b>	<b>38.3%</b>	<b>825,117</b>	<b>37.2%</b>
<b>Non-current assets:</b>						
Financial assets	0	0.0%	0	0.0%	0	0.0%
Intangible assets	824,807	36.0%	820,265	36.5%	826,423	37.2%
Property, plant and equipment	296,192	12.9%	298,375	13.3%	297,293	13.4%
Other assets	270,692	11.8%	269,100	12.0%	269,857	12.2%
<b>Total non-current assets</b>	<b>1,391,691</b>	<b>60.8%</b>	<b>1,387,740</b>	<b>61.7%</b>	<b>1,393,573</b>	<b>62.8%</b>
<b>TOTAL ASSETS</b>	<b>2,290,123</b>	<b>100.0%</b>	<b>2,249,121</b>	<b>100.0%</b>	<b>2,218,690</b>	<b>100.0%</b>
<b>Current liabilities:</b>						
Financial liabilities	367,890	16.1%	364,719	16.2%	360,133	16.2%
Operating liabilities	639,866	27.9%	616,539	27.4%	662,050	29.8%
<b>Total current liabilities</b>	<b>1,007,756</b>	<b>44.0%</b>	<b>981,258</b>	<b>43.6%</b>	<b>1,022,183</b>	<b>46.1%</b>
<b>Non-current liabilities:</b>						
Financial liabilities	489,597	21.4%	484,207	21.5%	460,343	20.7%
Other non-current liabilities	153,708	6.7%	163,047	7.2%	160,798	7.2%
<b>Total non-current liabilities</b>	<b>643,305</b>	<b>28.1%</b>	<b>647,254</b>	<b>28.8%</b>	<b>621,141</b>	<b>28.0%</b>
<b>TOTAL LIABILITIES</b>	<b>1,651,061</b>	<b>72.1%</b>	<b>1,628,512</b>	<b>72.4%</b>	<b>1,643,324</b>	<b>74.1%</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>639,062</b>	<b>27.9%</b>	<b>620,609</b>	<b>27.6%</b>	<b>575,366</b>	<b>25.9%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2,290,123</b>	<b>100.0%</b>	<b>2,249,121</b>	<b>100.0%</b>	<b>2,218,690</b>	<b>100.0%</b>

## Immsi Group cash flow statement

In thousands of euro	31.03.2010	31.03.2009
<i>Operating activities</i>		
Net profit for the period	(1,741)	(8,873)
Minority interests	(584)	(4,038)
Tax	2,456	(3,787)
Depreciation fixed assets (including investment property)	10,110	10,382
Amortisation intangible assets	11,372	11,433
Provision for risks, retirement funds and similar	8,415	6,319
Write-downs / (Write-ups)	687	875
Losses / (gains) on sale of fixed assets (including investment property)	6	(1)
Losses / (gains) on sale of securities	0	1,340
Interest income	(656)	(1,079)
Dividend income	0	(613)
Interest expense	7,772	13,220
Amortisation of government grants	(722)	(1,843)
Change in working capital	(74,181)	(117,106)
Change in non-current provisions and other changes	(29,053)	(20,127)
<b>Cash generated by operating activities</b>	<b>(66,119)</b>	<b>(113,898)</b>
Interest expense paid	(4,901)	(3,606)
Tax paid	(2,614)	(5,658)
<b>Cash flow from operating activities</b>	<b>(73,634)</b>	<b>(123,162)</b>
<i>Investing activities</i>		
Acquisition of subsidiaries, less cash and cash equivalents	(8,438)	(2,631)
Sale price of subsidiaries, less cash and cash equivalents	22,090	7,957
Investment in fixed assets	(2,596)	(8,198)
Sale price, or repayment value, of fixed assets (including investment property)	(3)	141
Investment in intangible assets	(12,555)	(12,695)
Sale price, or repayment value, of intangible assets	0	24
Interest collected	107	823
Sale price of discontinued operations	36	0
Government grants received	0	6,862
Dividends from equity investments	0	0
Other changes	(3,696)	5,918
<b>Cash flow from investing activities</b>	<b>(5,055)</b>	<b>(1,799)</b>
<i>Financing activities</i>		
Own-share buybacks	(204)	(868)
Loans received	33,411	177,890
Outlay for loan repayments	(24,971)	(19,105)
Finance leases received	0	0
Repayment finance leases	(217)	(212)
Other changes	2,043	0
<b>Cash flow from financing activities</b>	<b>10,062</b>	<b>157,705</b>
<b>Increase / (Decrease) in cash and cash equivalents</b>	<b>(68,627)</b>	<b>32,744</b>
<i>Opening balance</i>	184,571	16,403
Exchange-rate differences	5,316	(348)
<b>Closing balance</b>	<b>121,260</b>	<b>48,799</b>