

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

Interim Management Report

31 March 2010

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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	Chairman
Carlo d'Urso	Deputy Chairman
Luciano La Noce	Managing Director
Matteo Colaninno	Director
Michele Colaninno	Director
Mauro Gambaro	Director
Giorgio Cirla	Director
Giovanni Sala	Director
Enrico Maria Fagioli Marzocchi	Director

BOARD OF STATUTORY AUDITORS

Alessandro Lai	Chairman
Giovanmariamaria 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
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GENERAL MANAGER

Michele Colaninno

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 Italian Legislative Decree, the Board of Directors has established the following organs:

LEAD INDEPENDENT DIRECTOR

Mauro Gambaro

REMUNERATION COMMITTEE

Carlo d'Urso
Mauro Gambaro
Giorgio Ciria

Chairman

INTERNAL AUDIT COMMITTEE

Giovanni Sala
Mauro Gambaro
Giorgio Ciria

Chairman

DIRECTOR APPOINTED

Luciano La Noce

PERSON IN CHARGE OF THE INTERNAL AUDIT

Maurizio Strozzi

SUPERVISORY BOARD

Marco Reboa
Alessandro Lai
Maurizio Strozzi

Chairman

**PERSON IN CHARGE OF PREPARING THE COMPANY
ACCOUNTS AND DOCUMENTS**

Andrea Paroli

INVESTOR RELATOR

Andrea Paroli

Main income and balance sheet figures of the Immsi Group

Immsi Group at 31 March 2010

In thousands of euros	<i>Property and holding sector</i>	<i>in %</i>	<i>Industrial sector</i>	<i>in %</i>	<i>Naval sector</i>	<i>in %</i>	<i>Immsi Group</i>	<i>in %</i>
Net revenues	1,106		340,564		21,222		362,892	
Operating earnings before depreciation and amortisation (EBITDA)	-1,673	-151.3%	31,794	9.3%	-1,206	-5.7%	28,915	8.0%
Operating earnings (EBIT)	-1,854	-167.6%	11,331	3.3%	-2,044	-9.6%	7,433	2.0%
Earnings before taxation	-2,319	-209.7%	5,417	1.6%	-2,967	-14.0%	131	0.0%
Earnings for the period including non-controlling interest	-2,116	-191.3%	2,855	0.8%	-3,064	-14.4%	-2,325	-0.6%
Group earnings for the period (consolidated)	-1,457	-131.7%	1,652	0.5%	-1,936	-9.1%	-1,741	-0.5%
Net financial position	-149,655		-422,598		-133,741		-705,994	
Personnel (number)	89		7,499		370		7,958	

Immsi Group at 31 March 2009

In thousands of euros	<i>Property and holding sector</i>	<i>in %</i>	<i>Industrial sector</i>	<i>in %</i>	<i>Naval sector</i>	<i>in %</i>	<i>Immsi Group</i>	<i>in %</i>
Net revenues	911		306,344		30,592		337,847	
Operating earnings before depreciation and amortisation (EBITDA)	-1,376	-151.0%	21,012	6.9%	-1,595	-5.2%	18,041	5.3%
Operating earnings (EBIT)	-1,562	-171.5%	214	0.1%	-2,426	-7.9%	-3,774	-1.1%
Earnings before taxation	-5,288	-580.5%	-8,231	-2.7%	-3,179	-10.4%	-16,698	-4.9%
Earnings for the period including non-controlling interest	-4,961	-544.6%	-4,687	-1.5%	-3,263	-10.7%	-12,911	-3.8%
Group earnings for the period (consolidated)	-4,169	-457.6%	-2,638	-0.9%	-2,066	-6.8%	-8,873	-2.6%
Net financial position	-172,916		-446,657		-102,809		-722,382	
Personnel (number)	75		7,046		402		7,523	

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..

It should be noted that the data given in the preceding tables refer to the consolidable results, that is in particular net of the intragroup revenues and costs and the dividends from subsidiaries.

Form and contents of the interim report

This Interim Management Report at 31 March 2010, drawn up in conformity with the provisions of art. 154-ter of the Italian Legislative Decree D.Lgs. 58/1998 (“*Testo Unico della Finanza*” – Italian Finance Consolidation Act) and of the Issuers Regulations emanated by Consob, contains the reclassified consolidated financial statements and explanatory notes drawn up according to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (“IASB”) and approved by the European Union.

In drawing up the Interim management report at 31 March 2010 the Group has applied the accounting standards implemented in drawing up the consolidated financial statements at 31 December 2009, to which reference is made for any further investigation, and the amendments and interpretations contemplated by IASB as of 1 January 2010, since whose implementation however no effects have emerged on the accounts for the Group.

It is noted that, as provided for by the Consob communication no. DEM/5073567 dated 4 November 2005, the Company has availed itself of the right to state fewer details than as required in the international accounting standard IAS 34 – Interim Financial Reporting.

The preparation of the Interim Report requires the management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities recorded in the financial statements and disclosure of contingent assets and liabilities at the date of the end of the period. If in the future such estimates and assumptions 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 impairment losses on non-current 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 of impairment that require immediate evaluation of possible losses of value.

This Report is expressed in euros since that is the currency in which most of the Group's transactions take place.

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

This Interim Management Report is not subjected to audit.

As regards the Group, below can be found the reclassified income statement and statement of comprehensive income for the first quarter of 2010 compared with the same period in 2009, as well as the reclassified statement of financial position at 31 March 2010 compared with the situation at 31 December 2009 and at 31 March 2009 and the cash flow statement at 31 March 2010 compared with the same period of the year 2009. There is also a statement of changes in shareholders' equity at 31 March 2010 compared with the figures for the same period of the last year.

With reference to the Consob Resolution no. 15519 of 17 July 2006, it is specified that notes have been inserted at the foot of the reclassified consolidated income statement and reclassified statement of financial position that give the extent of significant relations with Related Parties. For a closer examination please refer to the tables given at the end of this Interim Management Report.

No atypical, non-recurrent or unusual operations have been found during the first three months of 2010.

The manager in charge of preparing the company accounts and documents, Andrea Paroli, declares, in accordance with paragraph 2 of article 154-bis of the Italian Finance Consolidation Act (“*Testo Unico della Finanza*”), that the accounting information contained in this document corresponds to the evidence of the documents, books and accounting records.

Consolidation area

For consolidation purposes we have used the financial statements at 31 March 2010 of the companies included in the consolidation area, duly adapted and reclassified, where necessary, in order to make them conform to the international accounting standards and to the standard classification criteria on a comparative basis within the Group.

The scope of consolidation includes the companies in which the Parent Company, directly or indirectly, owns more than half of the voting rights exercisable in Shareholders' Meetings, has the power to control or direct voting rights by means of contractual or bylaw clauses, or can appoint the majority of the members of the Boards of Directors. Excluded from the line-by-line consolidation are non-operating controlled companies or those with low operating levels as their influence on the final result of the Group is insignificant.

The area of consolidation has not significantly changed compared to the consolidated financial statements at 31 December 2009 and the consolidated accounting situation at 31 March 2009. In particular, the establishment, on 12 March 2010, of a new selling agency in Canada by the Piaggio group does not substantially alter the comparability of the periods under comparison under both the economic and financial profile, in consideration of the limited entity of the change made.

Reclassified consolidated financial statements and explanatory notes

Reclassified income statement of the Immsi Group

In thousands of euros	1 st Quarter 2010		1 st Quarter 2009		Change	
Net revenues	362,892	100%	337,847	100%	25,045	7.4%
Costs for materials	210,739	58.1%	197,300	58.4%	13,439	6.8%
Costs for services and the use of third party assets	74,389	20.5%	77,051	22.8%	-2,662	-3.5%
Personnel costs	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%
OPERATING EARNINGS BEFORE DEPRECIATION AND AMORTISATION (EBITDA)	28,915	8.0%	18,041	5.3%	10,874	60.3%
Depreciation of tangible assets	10,110	2.8%	10,382	3.1%	-272	-2.6%
Impairment of goodwill	0	-	0	-	0	-
Amortisation of finite life intangible assets	11,372	3.1%	11,433	3.4%	-61	-0.5%
OPERATING EARNINGS (EBIT)	7,433	2.0%	-3,774	-1.1%	11,207	297.0%
Earnings on equity investments	0	-	-6	0.0%	6	-
Financial income	5,154	1.4%	1,183	0.4%	3,971	335.7%
Financial charges	12,456	3.4%	14,101	4.2%	-1,645	-11.7%
EARNINGS BEFORE TAXATION	131	0.0%	-16,698	-4.9%	16,829	100.8%
Taxation	2,456	0.7%	-3,787	-1.1%	6,243	164.9%
EARNINGS AFTER TAXATION FROM CONTINUING ASSETS	-2,325	-0.6%	-12,911	-3.8%	10,586	82.0%
Profit (loss) from assets for disposal or sale	0	-	0	-	0	-
EARNINGS FOR THE PERIOD INCLUDING NON-CONTROLLING INTEREST	-2,325	-0.6%	-12,911	-3.8%	10,586	82.0%
Non-controlling interest earnings for the period	-584	-0.2%	-4,038	-1.2%	3,454	85.5%
GROUP EARNINGS FOR THE PERIOD	-1,741	-0.5%	-8,873	-2.6%	7,132	80.4%

- At 31 March 2010 the Costs for materials, services and use of third party assets include costs for operations with Related Parties for a total of 6.4 million euros (around 8.9 million euros at 31 March 2009) substantially referring to the purchase of components from companies associated with the Piaggio group (Piaggio Foshan Motorcycle);

- At 31 March 2010 the Other operating income include 0.4 million euros for income made with Piaggio Foshan Motorcycle, compared to 0.5 million euros at 31 March 2009.

For greater detail on the relations between Related Parties taking place during the first quarter of 2010 please refer to the tables given at the end of this Report.

Statement of comprehensive income of the Immsi Group

	1 st Quarter 2010	1 st Quarter 2009	Change
EARNINGS FOR THE PERIOD INCLUDING NON-CONTROLLING INTEREST	(2,325)	(12,911)	10,586
Gains/(Losses) on cash flow hedges	1,174	3,511	(2,337)
Gains/(Losses) on exchange differences on translating foreign operations	5,306	(357)	5,663
Gains/(Losses) on evaluation at fair value of assets available for sale and property investments	(1,402)	(5,122)	3,720
TOTAL OTHER GAINS (LOSSES) FOR THE PERIOD	5,078	(1,968)	7,046
TOTAL OF COMPREHENSIVE INCOME (LOSSES) FOR THE PERIOD	2,753	(14,879)	17,632
Non-controlling interest earnings for the period	2,308	(2,416)	4,724
GROUP EARNINGS FOR THE PERIOD	445	(12,463)	12,908

The values presented in the preceding table are all given net of the corresponding fiscal effect.

Net revenues

Consolidated net revenues at 31 March 2010 amount to 362.9 million euros, of which about 94% (340.6 million) are attributable to the industrial sector (Piaggio group), about 6% (21.2 million euros) to the naval sector (Rodriquez group) and the balance (about 1.1 million euros) to the property and holding sector (Immsi S.p.A. and Is Molas S.p.A.).

It should be reminded that 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.

With reference to the industrial sector the net revenues in the first three months of 2010 are at 340.6 million euros, an increase of 11.2% compared to the same period in 2009. By analysing trends in revenues in the sub-sectors of reference, the increase is attributed mainly to the success achieved on the Asian Two-Wheeler market and the Indian commercial vehicles market that have more than compensated for the downturn in the American and European markets. Sales in the Commercial Vehicle division passed from 96.8 million euros in the first three months of 2009 to 120.4 million euros in the first three months of 2010 (+24.3%). In particular, the sales generated in India reached 86.9 million euros while in Europe they were equal to 33.4 million euros.

As regards the naval sector, consolidated revenues come to 21.2 million euros at 31 March 2010, down by 30.6%, on 30.6 million euros at 31 March 2009. The decrease is mainly due to the parent company Rodriquez Cantieri Navali S.p.A. and the subsidiary Intermarine S.p.A., which has also suffered from delays in the progress of production in the yard of Sarzana, following the flood of the river Magra in December 2009.

As regards the property and holding sector, the net revenues at 31 March 2010, equal to 1.1 million euros, improved by approximately 21.4% compared to the net revenues in the first three months of 2009, due to higher revenues from rentals by Immsi S.p.A. and with the increase in the number of tourist presence for Is Molas S.p.A. in the period.

Operating earnings before depreciation and amortisation (EBITDA)

Consolidated operating earnings before depreciation and amortisation (EBITDA) amounts to 28.9 million euros at 31 March 2010 (8% of net revenues). Compared with operating earnings before depreciation and amortisation (EBITDA) for the first three months of 2009, this value decreased by 10.9 million euros (60.3%). At 31 March 2009 this figure amounted to 18 million euros (5.3% of net revenues).

The portion attributable to the industrial sector amounts to 31.8 million euros (9.3% of the net revenues of the sector), a 10.8 million euros increase compared to the balance at 31 March 2009 (21 million euros or 6.9% of the net revenues of the sector). The incidence on net revenues has improved both thanks to the increase in sales and to a strong activity of control over the costs of production.

One of the main cost items of the Immsi Group is represented by personnel costs equal to 66.8 million euros (18.4% of net revenues), a slight increase compared to 66.2 million euros in the same period of last year also following the increase in the mean staffing level of the period (which passed from 7,790 units in the first three months of 2009 to 7,838 units in the first three months of 2010).

Operating earnings (EBIT)

Operating income (EBIT) amounts to 7.4 million euros (2% of net revenues). The increase on the same period of 2009 is 11.2 million euros. Consolidated operating income (EBIT) for the first three months of the preceding period showed a negative result equal to 3.8 million euros (-1.1% of net revenues).

Depreciation and amortisation for the period come to a total of 21.5 million euros (5.9% of net revenues), being made up of 10.1 million euros of depreciation of tangible assets and 11.4 million euros of amortisation of intangible assets.

No impairments of goodwill were recorded either in the first three months of 2010 or in the same period of preceding year. The impairment tests carried out at 31 December 2009 confirmed the full recoverability of the amounts recorded in the financial statements: therefore no impairment has been reflected in the data of the separate or consolidated financial statements of the Parent Company at 31 December 2009. During the first three months of 2010 there were no events such as to indicate that the activities subject to an impairment test can have suffered a significant loss in value.

Earnings before taxation

Earnings before taxation amounts to 131 thousand euros at 31 March 2010. The corresponding consolidated figure for the first three months of the previous year was 16.7 million euros negative (-4.9% of net revenues).

Financial charges, net of income and of earnings on equity investments, in the first three months of 2010 come to 7.3 million euros (2% of net revenues). At 31 March 2009 this figure amounted to 12.9 million euros, 3.8% incidence on net revenues. The decrease recorded during the first three months of 2010 compared to the same period of the preceding year is particularly referable to the reduction in the cost of the financings indexed to the Euribor and the refinancing at better conditions of the bond loan of the Piaggio group.

Financial charges (net of the income) were 5.9 million euros for the Piaggio group, 0.9 million euros for the Rodriguez group, while the balance (0.5 million euros) is attributable to the property and holding sector.

Group earnings for the period

Earnings for the period after taxation and non-controlling interests comes to 1.7 million euros negative at 31 March 2010 (-0.5% of net revenues). In the first three months of the previous year, this figure was 8.9 million euros negative (-2.6% of net revenues).

The taxes under accrual basis amount to negative 2.5 million euros (compared to positive 3.8 million euros in the corresponding period of 2009), mainly as a consequence of the taxes recorded by the Piaggio group that had an incidence on the earnings before taxes of the group equal to 47.3%. Remember that the corporate income taxes, also in consideration of IAS 34, have been determined on the basis of the better estimate of the weighted average rate expected for the entire year in progress.

Earnings per share

In euros

From continuing operations:	31 March 2010	31 March 2009
<i>Basic</i>	(0.005)	(0.026)
<i>Diluted</i>	(0.005)	(0.026)
Average number of shares:	340,530,000	340,530,000

Diluted earnings per share correspond to the basic earnings per share in that there are no potential shares having a diluting effect.

At the interim Report date there are no gains or losses from assets intended for sale or disposal.

Reclassified statement of financial position of the Immsi Group

In thousands of euros	31.03.2010	in %	31.12.2009	in %	31.03.2009	in %
Current assets:						
Cash and cash equivalent	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%
Total current assets	898,432	39.2%	861,381	38.3%	825,117	37.2%
Non-current assets:						
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%
Tangible assets	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%
Total non-current assets	1,391,691	60.8%	1,387,740	61.7%	1,393,573	62.8%
TOTAL ASSETS	2,290,123	100.0%	2,249,121	100.0%	2,218,690	100.0%
Current liabilities:						
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%
Total current liabilities	1,007,756	44.0%	981,258	43.6%	1,022,183	46.1%
Non-current liabilities:						
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%
Total non-current liabilities	643,305	28.1%	647,254	28.8%	621,141	28.0%
TOTAL LIABILITIES	1,651,061	72.1%	1,628,512	72.4%	1,643,324	74.1%
TOTAL SHAREHOLDERS' EQUITY	639,062	27.9%	620,609	27.6%	575,366	25.9%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,290,123	100.0%	2,249,121	100.0%	2,218,690	100.0%

- At 31 March 2010 Operating assets include current trade receivables and other receivables for transactions with Related Parties totalling 2.1 million euros (1.8 million euros at 31 December 2009 and 4.0 million euros at 31 March 2009);

- At 31 March 2010 Operating liabilities include trade payables and other payables arising from transactions with Related Parties amounting to 11.1 million euros, mainly resulting from the purchase of parts and vehicles by companies associated to the Group (13.5 million euros at 31 December 2009 and 16.5 million euros at 31 March 2009).

For greater detail on the relations between Related Parties taking place during the first quarter of 2010 please refer to the tables given at the end of this Report.

Analysis of capital employed by the Immsi Group

In thousands of euros	31.03.2010	in %	31.12.2009	in %	31.03.2009	in %
Current operating assets	746,939	49.8%	650,411	45.8%	727,023	49.8%
Current operating liabilities	-639,866	-42.7%	-616,539	-43.4%	-662,050	-45.4%
Net operating working capital	107,073	7.1%	33,872	2.4%	64,973	4.5%
Intangible assets	824,807	55.0%	820,265	57.7%	826,423	56.7%
Tangible assets	296,192	19.8%	298,375	21.0%	297,293	20.4%
Other assets	270,692	18.1%	269,100	18.9%	269,857	18.5%
Invested capital	1,498,764	100.0%	1,421,612	100.0%	1,458,546	100.0%
Non-current non-financial liabilities	153,708	10.3%	163,047	11.5%	160,798	11.0%
Non-controlling interest capital and reserves	216,548	14.4%	203,012	14.3%	192,863	13.2%
Consolidated shareholders' equity of the Group	422,514	28.2%	417,597	29.4%	382,503	26.2%
Total non-financial sources	792,770	52.9%	783,656	55.1%	736,164	50.5%
Net financial debt	705,994	47.1%	637,956	44.9%	722,382	49.5%

Invested capital

Invested capital amounts to 1,498.8 million euros at 31 March 2010, for an increase both on 31 December 2009 (+77.2 million euros) and on 31 March 2009 (+40.2 million euros) equal to 1,421.6 million euros and 1,458.5 million euros respectively. Compared with the beginning of the year, net working capital has risen by 73.2 million euros. The decrease in the tangible assets totalled 2.2 million euros compared to 31 December 2009, whereas intangible assets increased by 4.5 million euros compared to 31 December 2009.

Net Financial Debt of the Immsi Group

In thousands of euros	31.03.2010	31.12.2009	31.03.2009
Short-term liquidity			
Cash and cash equivalent	-143,335	-206,508	-78,698
Financial assets	-8,158	-4,462	-19,396
Total short-term financial assets	-151,493	-210,970	-98,094
Short-term financial payables			
Bonds	0	0	0
Amounts due to bank	341,279	334,684	338,148
Amounts due under finance leases	796	800	777
Amounts due to other lenders	25,815	29,235	21,208
Total short-term financial payables	367,890	364,719	360,133
Total short-term financial debt	216,397	153,749	262,039
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	137,665	137,665	118,922
Amounts due to bank	315,764	311,733	295,749
Amounts due under finance leases	8,116	8,329	8,980
Amounts due to other lenders	28,052	26,480	36,692
Total medium/long-term financial payables	489,597	484,207	460,343
Total medium/long-term financial debt	489,597	484,207	460,343
Net financial debt	705,994	637,956	722,382

The Group's net financial debt at 31 March 2010 amounted to 706 million euros, an increase over 31 December 2009 of 68 million euros and a decrease over 31 March 2009 of 16.4 million euros. In addition, with reference to the composition of the debt it is possible to note, compared to 31 December 2009, an increase in the short-term financial debt, mainly due to a decrease in short-term liquidity, passing from a balance equal to 153.7 million euros to a balance equal to 216.4 million euros. The financial debt over the medium and long term is increasing compared to the balance at 31 December 2009 (equal to 484.2 million euros) for around 5.4 million euros and compared to the balance at 31 March 2009 (equal to 460.3 million euros) for around 29.3 million euros.

Investment

Gross capital investment during the period to 31 March 2010 totalled 23.6 million euros, divided among tangible assets for 2.6 million euros (of which 2.3 million euros by Piaggio group), intangible assets for 12.6 million euros (almost entirely related to the Piaggio group), and financial assets for 8.4 million euros, related to the purchase by ISM Investimenti S.p.A. of 25% of the shareholdings of the subsidiary Is Molas S.p.A. from the minority shareholders M.R.S. S.r.l. and G.F.C. S.p.A., therefore getting to hold an 85% stake in the company.

Cash flow statement of the Immsi Group

In thousands of euros	31.03.2010	31.03.2009
<i>Operating assets</i>		
Earnings of the period	(1,741)	(8,873)
Non-controlling interest	(584)	(4,038)
Taxation	2,456	(3,787)
Depreciation of tangible assets (including property investments)	10,110	10,382
Amortisation of intangible assets	11,372	11,433
Provisions for risks and for severance indemnity and similar obligations	8,415	6,319
Write-downs / (Revaluations)	687	875
Losses / (Gains) on disposal of tangible assets (including property investments)	6	(1)
Losses / (Gains) on disposal of securities	0	1,340
Interest receivable	(656)	(1,079)
Dividend income	0	(613)
Interest payable	7,772	13,220
Depreciation of grants	(722)	(1,843)
Change in working capital	(74,181)	(117,106)
Changes of non-current reserves and other changes	(29,053)	(20,127)
<i>Cash generated from operations</i>	<i>(66,119)</i>	<i>(113,898)</i>
Interest paid	(4,901)	(3,606)
Taxation paid	(2,614)	(5,658)
<i>Cash flow from operations</i>	<i>(73,634)</i>	<i>(123,162)</i>
<i>Investments</i>		
Acquisition of subsidiaries, net of cash and cash equivalents	(8,438)	(2,631)
Sale price of subsidiaries, net of cash and cash equivalents	22,090	7,957
Investments in tangible assets	(2,596)	(8,198)
Sale price, or repayment value, of tangible assets (including property investments)	(3)	141
Investments in intangible assets	(12,555)	(12,695)
Sale price, or repayment value, of intangible assets	0	24
Interests received	107	823
Sale price from assets intended for disposal or sale	36	0
Public grants received	0	6,862
Dividends from equity investments	0	0
Other changes	(3,696)	5,918
<i>Cash flow from investments</i>	<i>(5,055)</i>	<i>(1,799)</i>
<i>Financing</i>		
Purchase of treasury stock	(204)	(868)
Loans received	33,411	177,890
Outflow for repayment of loans	(24,971)	(19,105)
Finance leases received	0	0
Repayment of finance leases	(217)	(212)
Other changes	2,043	0
<i>Cash flow from financing</i>	<i>10,062</i>	<i>157,705</i>
<i>Increase / (Decrease) in cash and cash equivalents</i>	<i>(68,627)</i>	<i>32,744</i>
<i>Opening balance</i>	<i>184,571</i>	<i>16,403</i>
Exchange differences	5,316	(348)
<i>Closing balance</i>	<i>121,260</i>	<i>48,799</i>

The variations in the working capital include lower trade payables and other payables toward Related Parties for 2.5 million euros and higher trade receivables and other receivables from Related Parties for 0.3 million euros. For greater detail on the relations between Related Parties taking place during the first quarter of 2010 please refer to the tables given at the end of this Report.

This schedule illustrates the changes in cash and cash equivalents, net of short-term bank overdrafts totalling 22.1 million euros at 31 March 2010.

Total shareholders' equity and equity pertaining to the Immsi Group

In thousands of euros	<i>Group consolidated Shareholders' equity</i>	<i>Non-controlling interest capital and reserves</i>	<i>Total Group and non-controlling interest consolidated Shareholders' equity</i>
Balances at 1 January 2009	394,679	190,704	585,383
Figurative cost of stock options	291	215	506
Other changes	(4)	4,360	4,356
Net earnings for the period	(12,463)	(2,416)	(14,879)
Balances at 31 March 2009	382,503	192,863	575,366

In thousands of euros	<i>Group consolidated Shareholders' equity</i>	<i>Non-controlling interest capital and reserves</i>	<i>Total Group and non-controlling interest consolidated Shareholders' equity</i>
Balances at 1 January 2010	417,597	203,012	620,609
Figurative cost of stock options	379	312	691
Other changes	4,093	10,916	15,009
Net earnings for the period	445	2,308	2,753
Balances at 31 March 2010	422,514	216,548	639,062

Human resources

At 31 March 2010, Immsi Group employed 7,958 staff, of which 89 in the property and holding sector, 7,499 in the industrial sector (Piaggio group) and 370 in naval (Rodriquez group).

The following tables divide resources by category and geographical area:

Human resources by category

numbers	31/03/2010			
	Property and holding sector	Industrial sector	Naval sector	Group total
Senior managers	7	110	12	129
Middle managers and employees	42	2,515	175	2,732
Manual workers	40	4,874	183	5,097
TOTAL	89	7,499	370	7,958

Human resources by geographical area

numbers	31/03/2010			
	Property and holding sector	Industrial sector	Naval sector	Group total
Italy	89	4,233	370	4,692
Rest of Europe	0	520	0	520
Rest of the World	0	2,746	0	2,746
TOTAL	89	7,499	370	7,958

Human resources by category

numbers	31/03/2010	31/12/2009	Change
Senior managers	129	130	-1
Middle managers and employees	2,732	2,717	15
Manual workers	5,097	4,902	195
TOTAL	7,958	7,749	209

Human resources by geographical area

numbers	31/03/2010	31/12/2009	Change
Italy	4,692	4,580	112
Rest of Europe	520	535	-15
Rest of the World	2,746	2,634	112
TOTAL	7,958	7,749	209

The increase in the number of employees compared to 31 December 2009 (+209) is almost exclusively attributable to the industrial sector because of the seasonal nature of the production activity. The production and sale activities are therefore concentrated during spring and summer, and the activity of hiring personnel on short-term contracts is also concentrated in said periods.

Directors' comments on the results of operations

In the first three months of 2010 the Immsi Group shows net revenues and operating results considerably increasing on the corresponding period of the preceding year.

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

Property and holding sector

	31.03.2010	in %	31.03.2009	in %	Change	in %
In thousands of euros						
Net revenues	1,106		911		195	21.4%
Operating earnings before depreciation and amortisation (EBITDA)	-1,673	-151.3%	-1,376	-151.0%	-297	-21.6%
Operating earnings (EBIT)	-1,854	-167.6%	-1,562	-171.5%	-292	-18.7%
Earnings before taxation	-2,319	-209.7%	-5,288	-580.5%	2,969	56.1%
Earnings for the period including non-controlling interest	-2,116	-191.3%	-4,961	-544.6%	2,845	57.3%
Group earnings for the period (consolidated)	-1,457	-131.7%	-4,169	-457.6%	2,712	65.1%
Net financial position	-149,655		-172,916		23,261	13.5%
Personnel (number)	89		75		14	18.7%

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 Parent company Immsi S.p.A. shows a positive net result for the period equal to 9.3 million euros compared to a loss of 0.1 million euros at 31 March 2009 mainly due to the higher positive financial items of income.

In particular, in the month of March 2010, 10 million Piaggio shares were sold to Banca IMI for a total income of 22.1 million euros and a gain, gross of the relative fiscal effect, equal to approximately 9.6 million euros (remember that, during the first quarter of 2009, 7,800,990 Piaggio shares had been sold with gross capital gains equal to 1.2 million euros). In addition, in the month of January 2010, following the capital increase deliberated by Unicredit (of which Immsi S.p.A. holds approximately 9.3 million shares in its portfolio), the Company sold on the market the related assigned rights (with a ratio of 1 right per share held) for a revenue and gross gains of 0.9 million euros. It should be stated that the gain achieved on the sale of Piaggio shares has no effect on the consolidated net result, in accordance with the accounting standards of reference.

The net financial debt at 31 March 2010 is 64.4 million euros, having decreased by approximately 15.8 million compared to 31 December 2009 (equal to 80.2 million euros). This improvement is mainly derived from the aforesaid revenues related to the sale of Piaggio shares and Unicredit rights (respectively equal to 22.1 and 0.9 million euros), only partially compensated for by the outflow of 6.4 million euros in the month of February related to the underwriting of participating financial instruments of ISM Investimenti S.p.A.. The issue of the aforesaid instruments has been finalized at obtaining financial resources for the purchase – for approximately 8.4 million euros – of 25% of the shareholdings of the subsidiary Is Molas S.p.A. from the minority shareholders M.R.S.

S.r.l. and G.F.C. S.p.A.. After the above operation therefore ISM Investimenti S.p.A. holds 85% of the share capital of Is Molas S.p.A.

With reference to the subsidiary Is Molas S.p.A., the first three months of the year 2010 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 2009. The net revenues in the first quarter of 2010 for the company, equal to 416 thousand euros, have grown compared to the preceding year by approximately 9.5% mainly following the increase in the number of tourists present in the period.

With reference to the Pietra Ligure project, in February 2010 the sentence was issued by the Court in Milan that endorsed that the preliminary contract stipulated in July 2005 between Rodriguez Cantieri Navali S.p.A. and Como (formerly Fimi Real Estate) is still valid, effective and binding between RCN and Como, until the fulfilment or the acquisition of the certainty of the impossibility of the fulfilment of the condition of suspension consisting in the definition of the convention for the change in the registered use of the area, as required by the preliminary contract.

With reference to the subsidiary Apuliae S.p.A., the suspension of the activity of restructuring persists since March 2005 following assessments ordered by the judicial authority. However, it is pointed out that, on 16 March 2009, within the framework of the current ordinary procedure at the Second Criminal Section of the Court of Lecce regarding other parties but the same cases in point of crime as per the shortened procedure, the panel of judges issued a first degree sentence of complete acquittal because there has been no such event for all the defendants and for all the hypotheses of disputed crime and has also ordered the release from seizure of the real estate. The sentence of the shortened procedure of 2 November 2009 has endorsed the acquittal of all the accused for misfeasance and no right to proceed due to the prescription of the town-planning aspects. There remains the civil dispute between the Province of Lecce and the State concerning the ownership of the property. In said judgement Apuliae appeared in court with a request to quantify damages. With Council deliberation on 28 April 2010, the Province of Lecce ordered the annulment of the deliberation of 20 December 2002 with which it started the tender procedure to assign the construction and management of the former Colonia Scarciglia and therefore the revocation of the entire tender procedure.

Industrial sector

In thousands of euros	31.03.2010	in %	31.03.2009	in %	Change	in %
Net revenues	340,564		306,344		34,220	11.2%
Operating earnings before depreciation and amortisation (EBITDA)	31,794	9.3%	21,012	6.9%	10,782	51.3%
Operating earnings (EBIT)	11,331	3.3%	214	0.1%	11,117	5194.9%
Earnings before taxation	5,417	1.6%	-8,231	-2.7%	13,648	165.8%
Earnings for the period including non-controlling interest	2,855	0.8%	-4,687	-1.5%	7,542	160.9%
Group earnings for the period (consolidated)	1,652	0.5%	-2,638	-0.9%	4,290	162.6%
Net financial position	-422,598		-446,657		24,059	5.4%
Personnel (number)	7,499		7,046		453	6.4%

During the first quarter of 2010 the Piaggio group has altogether sold 143,730 vehicles in the world, 87,580 of which in the two-wheeler business and 56,150 in the Commercial Vehicle business.

With regard to the two-wheeler business, such performance took place within a particularly difficult market context in the group's main reference areas. In Europe (including Italy) demand for 2 Wheelers dropped compared to the same period of the previous year both in the scooter segment (-11.1%) and in the motorbike segment (-10.6%).

Analyzing the sales by geographical area we should underline the growth recorded in the Asia Pacific area, thanks to the success of the Vietnamese plant that was not yet operational in the first quarter of 2009.

The group's sales increased on the Italian market too (+14.3%) despite the downturn in the general market (sell-out). Consequently, the Piaggio group improved its general market share, confirming itself as the leader of the scooter market.

Whereas there was a downturn in the results achieved in Europe and in the area of the Americas, where, following the revision of the distribution model in the first quarter of 2010 the sales on the Canadian market were temporarily suspended.

The Commercial Vehicles division closed the first quarter of 2010 with 56,150 units sold, an improvement of 33.1% compared to the same period of 2009, thanks to the expansion in the Indian market (+38%) that in the first quarter of 2009 had gone through a downturn.

In the first quarter of 2010, overall consolidated revenues of the group totalled 340.6 million euros, 11.2% increase with respect to the same period of 2009. By analysing trends in revenues in the sub-sectors of reference, the increase is to be attributed mainly to the success achieved on the Asian Two-Wheeler market and the Indian commercial vehicles market that have more than compensated for the downturn in the American and European markets.

The dynamics of the above revenues and the consequent dynamics of the costs have led to an operating result before depreciation and amortisation (EBITDA) equal to 31.8 million euros (+10.8 million euros compared to the first quarter of 2009). As a percentage of net revenues, the EBITDA as at 31 March 2010 is 9.3% compared to 6.9% of the same period in 2009 (+2.4 percentage points).

Operating income (EBIT) in the first quarter of 2010 was positive for 11.3 million euros, 11.1 million euros increase compared to the 0.2 million euros of the same period in 2009. Profitability (measured as operating income divided by net revenues) also increased: 3.3% against the 0.1% for the same period in 2009.

In the first quarter of 2010, Piaggio group recorded earnings before tax equal to 5.4 million euros (+13.6 million euros compared to the same period in 2009). The increase is mainly related to higher operating income.

Taxation for the period, in application of the IAS standards, represents a cost of 2.6 million euros (it was an income of 3.5 million euros in the first quarter of 2009) and was determined on the basis of the average tax rate expected for the entire financial year.

Earnings for the period including non controlling interest at 31 March 2010 totalled 2.9 million euros (-4.7 million euros in the same period in 2009), of which 1.7 million euros represent the consolidable portion for Immsi Group.

The net financial debt at 31 December 2010 was 422.6 million euros compared to 352 million euros at 31 December 2009 and compared to 446.7 million euros in the same period of 2009.

During the first quarter of 2010, the absorbed financial resources were equal to 70.6 million euros. The operational cash flow, i.e. net income plus amortisation, was 23.3 million euros. The positive impact of this flow was mainly absorbed by the increase in working capital from 17.2 million euros at 31 December 2009 to 92.8 million euros at 31 March 2010, as well as by investment in tangible and intangible fixed assets for 14.7 million euros and the purchase of own shares for 0.2 million euros. In particular, this cash absorption is mainly due to the seasonality of the 2-Wheeler business that, as known, absorbs financial resources in the early part of the year and generates them in the later part.

Naval sector

In thousands of euros	31.03.2010	In %	31.03.2009	in %	Change	in %
Net revenues	21,222		30,592		-9,370	-30.6%
Operating earnings before depreciation and amortisation (EBITDA)	-1,206	-5.7%	-1,595	-5.2%	389	24.4%
Operating earnings (EBIT)	-2,044	-9.6%	-2,426	-7.9%	382	15.7%
Earnings before taxation	-2,967	-14.0%	-3,179	-10.4%	212	6.7%
Earnings for the period including non-controlling interest	-3,064	-14.4%	-3,263	-10.7%	199	6.1%
Group earnings for the period (consolidated)	-1,936	-9.1%	-2,066	-6.8%	130	6.3%
Net financial position	-133,741		-102,809		-30,932	-30.1%
Personnel (number)	370		402		-32	-8.0%

With reference to the economic data of the Rodriguez group, revenues amount at 21.2 million euros at March 2010, a 30.6%, drop compared to 30.6 million euros at 31 March 2009.

The progress in production, including the Research & Development activities, and the completion of the constructions and deliveries have in particular concerned the Fast Ferries and Yacht division with 3.8 million euros, and Intermarine's job-orders with 17,4 million euros.

The production has moreover been characterized, particularly in the Fast Ferries and Yacht sectors, by altogether 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 allocated in the 2009 financial statements for the losses to finish some boats still under construction, while for the Yacht Division the Conam company shows negative marginality mainly as a result of the costs of operation and for the effect of amortizations and financial charges.

In light of the above, it is underlined that the portion of consolidable net earnings for the Immsi Group is equal to 1.9 million euros negative compared to 2.1 million euros negative at 31 March 2009.

At 31 March 2010, the overall order book stood at some 335.2 million euros and includes the contract with the Italian Navy for a total value of 197.2 million euros related to the activity of modernizing the Gaeta class minesweepers, signed during the previous year.

From the point of view of assets and liabilities, the net financial debt of the Group, equal to 133.7 million euros has increased compared to the 121.9 million euros at the end of year 2009, mainly due to the net cash flow absorbed by operations equal to 11.5 million euros, almost entirely tied to the negative variation in the net working capital (overdue receivables from the customer Guardia di Finanza – *i.e.*, Revenue Tax Corps – total 21 million euros), and after the investment activities equal to 0.3 million euros.

Events following 31 March 2010 and predictable evolution of management

There have been no significant events since the first quarter of 2010 with reference to the Parent Company Immsi S.p.A. and to the other companies belonging to the property and holding sector.

With reference to the Piaggio group, it should be noted that on 6 April 2010 the legislative decree approved by the Italian Government on 19 March 2010 came into effect that set aside a reserve of 12 million euros to stimulate the substitution of old Euro 0 or Euro 1 motorbikes with a new Euro 3 motorcycle of maximum cylinder capacity equal to 400 cc or with power no greater than 70 kW.

On 5 May 2010 the rating agency Moody's Investor Service improved the outlook to stable, from the preceding negative, on the Ba2 ratings of Piaggio & C. S.p.A. This decision, according to Moody's, reflects the increase in the operational margins recorded by Piaggio, with a growing EBITDA margin at 13.5% in the year 2009 compared to 12% recorded in 2008.

With reference to the Rodriquez Cantieri Navali group, in April a recapitalization operation was deliberated for 30 million euros, to cover the losses suffered especially as a result of the two floods, at the same time to make up for the shortfall in revenue forecast for 2010 and to equip the company with the necessary resources to rebalance the company's financial structure.

Regarding the predictable evolution of the management, during 2010 – with particular reference to the industrial sector – the Piaggio group will focus on continuously improving its competitive edge in all sectors and on all markets where it operates. Quality, product costs and productivity will continue to be the drivers of management in 2010, which will be based on actions targeting sales of three- and four-wheeler commercial vehicles in India and Europe. The group will focus in particular on expanding its motorcycle brands in Europe, and consolidating its leadership position in the scooter sector in Europe and America, as well as developing sales of Vespa scooters in Vietnam, which officially got underway at the end of June 2009. In 2010 the Piaggio group will be committed to future developments and new investments. The most significant include development of its new diesel engine and production start-up at its new plant in India.

With reference to the naval sector, in the context of the international economic crisis in the leisure and passenger transport markets, the Rodriquez group aims to grow significantly through the subsidiary Intermarine in both economic and financial terms. For the other sectors in which the group operates in 2010 there are no forecasts for significant growth potential and 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 advancements in the productions that will be made in 2010 on the contracts in being and the presumable volumes of production that can derive from new contracts for Intermarine, in 2010 the production value will be tried to be kept at 2009 levels even though with a result, particularly because of the effects due to amortizations and financial charges, not yet in line with the expectations for an economic balance.

After the first quarter RCN must focus all its necessary efforts on the completion and delivery of the 3 constructions for the Sultanate of Oman, while Intermarine will have to recover the effects of the delays caused by the flooding of the Magra river, particularly in order to complete the first minesweeper for the Finnish Navy to be delivered in March 2011.

Segment reporting

The application of the IFRS 8 - Operating Segments - is mandatory as of 1 January 2009. This principle requires operating segments to be identified on the basis of an internal reporting system which top company management utilises to allocate resources and to assess performance.

The previous standard IAS 14 - Segment Reporting - required, on the other hand, that sectors (primary or secondary) be identified on the basis of risks and benefits which refer to the sectors themselves; the reporting system only represents the starting point for this identification.

The information for operating sectors presented below substantially reflects the internal reporting utilised by the management for taking strategic decisions.

In this respect, as regards business areas, where possible information is provided relating to the property and holding sector, industrial and naval sectors.

Primary sector: business areas

Income statement

In thousands of euros	<i>Property and holding sector</i>	<i>Industrial sector</i>	<i>Naval sector</i>	<i>Immsi Group</i>
Net revenues to third parties	1,106	340,564	21,222	362,892
Net intercompany revenues				0
NET REVENUES	1,106	340,564	21,222	362,892
OPERATING EARNINGS	-1,854	11,331	-2,044	7,433
Earnings on equity investments	0	0	0	0
Financial income				5,154
Financial charges				12,456
EARNINGS BEFORE TAXATION				131
Taxation				2,456
EARNINGS AFTER TAXATION FROM CONTINUING ASSETS				-2,325
Profit (loss) from assets for disposal or sale				0
EARNINGS FOR THE PERIOD INCLUDING NON-CONTROLLING INTEREST				-2,325
Non-controlling interest earnings for the period				-584
GROUP EARNINGS FOR THE PERIOD				-1,741

Balance sheet

In thousands of euros	<i>Property and holding sector</i>	<i>Industrial sector</i>	<i>Naval sector</i>	<i>Immsi Group</i>
Segment assets	404,538	1,567,717	317,617	2,289,872
Equity investments in associated companies	0	229	22	251
TOTAL ASSETS	404,538	1,567,946	317,639	2,290,123
TOTAL LIABILITIES	193,614	1,134,794	322,653	1,651,061

Other information

In thousands of euros	<i>Property and holding sector</i>	<i>Industrial sector</i>	<i>Naval sector</i>	<i>Immsi Group</i>
Investments in tangible and intangible assets	73	14,737	341	15,151
Depreciation, amortisation and write-downs	199	21,132	838	22,169
Cash flow from operations	-1,175	-60,906	-11,553	-73,634
Cash flow from investments	13,588	-18,358	-285	-5,055
Cash flow from financing	9,093	-10,697	11,666	10,062

Secondary sector: geographical areas

Income statement

In thousands of euros	<i>Italy</i>	<i>Rest of Europe</i>	<i>India</i>	<i>United States</i>	<i>Rest of the World</i>	<i>Immsi Group</i>
Net revenues to third parties	213,488	23,664	86,933	4,240	34,567	362,892
Net intercompany revenues						0
NET REVENUES	213,488	23,664	86,933	4,240	34,567	362,892

Balance sheet

In thousands of euros	<i>Italy</i>	<i>Rest of Europe</i>	<i>India</i>	<i>United States</i>	<i>Rest of the World</i>	<i>Immsi Group</i>
Segment assets	2,013,466	61,616	137,721	33,278	43,791	2,289,872
Equity investments in associated companies	203	3			45	251
TOTAL ASSETS	2,013,669	61,619	137,721	33,278	43,836	2,290,123

In thousands of euros	<i>Italy</i>	<i>Rest of Europe</i>	<i>India</i>	<i>United States</i>	<i>Rest of the World</i>	<i>Immsi Group</i>
Total receivables	194,574	58,024	10,803	3,651	8,159	275,211
Total payables	463,425	58,332	68,302	1,219	8,891	600,169

Other information

In thousands of euros	<i>Italy</i>	<i>Rest of Europe</i>	<i>India</i>	<i>United States</i>	<i>Rest of the World</i>	<i>Immsi Group</i>
Investments in tangible and intangible assets	11,114	100	3,100	0	837	15,151
Depreciation, amortisation and write-downs	19,526	563	1,133	83	864	22,169

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 quarter of 2010.

Immsi Group

The following table shows the impact of related party transactions on the income statement and on the balance sheet of the Immsi Group at 31 March 2010. All intercompany transactions and balances have been eliminated in the consolidated figures.

Main income and balance sheet headings	Amounts in €000	% incidence on balance sheet items	Description of the nature of the dealings
Transactions with Related Parties:			
<i>Current trade payables</i>	285	0.1%	<i>Legal assistance provided by St. d'Urso Gatti & Ass. to the Group</i>
<i>Costs for services and the use of third party assets</i>	61	0.0%	<i>Legal assistance provided by St. d'Urso Gatti & Ass. to the Group</i>
Transactions with Parent companies:			
<i>Tangible assets</i>	45	0.0%	<i>Fittings and vehicles provided by Omniainvest S.p.A.</i>
<i>Non-current financial liabilities</i>	2,900	0.6%	<i>Bond loan undersigned by Omniaholding S.p.A. in Piaggio & C. S.p.A.</i>
<i>Costs for services and the use of third party assets</i>	76	0.0%	<i>Rental of offices in Mantova provided by Omniaholding S.p.A. to the Group</i>
Transactions with Associated Companies:			
<i>Trade receivables and other non-current receivables</i>	459	2.8%	<i>Receivables from Fondazione Piaggio and AWS do Brasil</i>
<i>Current trade receivables and other receivables</i>	852 1,267	0.2% 0.4%	<i>Trade receivables from Fondazione Piaggio and Piaggio Foshan Receivables from Consorzio CTMI</i>
<i>Current financial liabilities</i>	91	0.0%	<i>Financial payables to Rodriguez Engineering S.r.l.</i>
<i>Current trade payables</i>	10,542	2.2%	<i>Trade payables mainly by Piaggio & C. S.p.A. to Piaggio China and Piaggio Foshan</i>
<i>Other current payables</i>	227	0.0%	<i>Payables to Consorzio CTMI and Armas Ocean Jets</i>
<i>Other current payables</i>	28	0.0%	<i>Payables to Fondazione Piaggio</i>
<i>Costs for materials</i>	6,169	2.9%	<i>Purchases mainly by Piaggio & C. S.p.A. from Piaggio Foshan</i>
<i>Costs for services and the use of third party assets</i>	60	0.0%	<i>Costs of purchases by Piaggio Foshan</i>
<i>Other operating income</i>	395	1.4%	<i>Income from Piaggio Foshan</i>
<i>Financial charges</i>	12	0.0%	<i>Charges to Piaggio Foshan</i>

The bank Intesa Sanpaolo S.p.A., minority shareholder of RCN Finanziaria S.p.A., has convertible shareholder financing in the investee company for 6 million euros.

With reference to the naval sector, it should be noted that Intesa Sanpaolo S.p.A., moreover has financing operations in being with the Rodriguez group specified below.

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 US dollars. The signed credit line is assisted by a guarantee issued by Immsi S.p.A. for 60 million US dollars and by the registration of mortgages on the assets under construction and obligations on the checking accounts dedicated to the order. The guarantee line is used for 49.8 million US dollars, of which one third is with Intesa Sanpaolo.

In the first quarter of 2010 the residual financing of 0.2 million euros granted by Intesa Sanpaolo was repaid for the obligatory exercise of options on foreign exchange in expiration. At the same

time the liquidity was released that had been deposited for an equal amount in a deposit account and guaranteed by lien for Intesa Sanpaolo.

The Rodriguez Group has net financial assets toward the Intesa Sanpaolo group for 0.9 million euros.

Intermarine S.p.A. has stipulated a financing contract with Intesa Sanpaolo for a total of 42 million euros, of which 12 million euros correlated with the insurance indemnities concerning the flooding of the Sarzana yard and 30 million euros as a revolving line correlated with the future receipts on the order with the Finnish Navy. In order to guarantee this loan, Immsi S.p.A. in April 2009 undersigned a commitment letter and an independent first request guarantee for a maximum amount of 50 million euros in favour of Intesa Sanpaolo and deposited 35 million Piaggio shares in a bonded deposit account. At 31 March 2010 the revolving line was completely used, while as regards the insurance indemnifications the exposure was equal to 8 million euros.

With reference to ISM Investimenti S.p.A., it is specified that IMI Investimenti S.p.A. (Intesa Sanpaolo group), minority shareholder of the subsidiary, has a long-term interest-bearing shareholder financing contract for 13.1 million euros.

It is noted that Intesa Sanpaolo granted a Bullet – Multi Borrower financing, stipulated in the month of December 2008, with renewed expiration at the end of 2010 for a total of 70 million euros of which 25 million euros to Immsi S.p.A., 30 million disbursed to ISM Investimenti S.p.A. and 15 million euros to Rodriguez Cantieri Navali S.p.A.. Immsi guaranteed such loan by depositing no. 75.000.000 Piaggio shares.

The Immsi Group lastly has purchased plane tickets at normal market conditions through travel agencies that choose from the carriers with availability for the route and date. Under these terms there may be relations of a commercial nature with Alitalia – Compagnia Aerea Italiana S.p.A., in which the Parent Company holds a minority stake (to date not considered a Related Party).

Immsi S.p.A.

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 31 March 2010:

Main income and balance sheet headings	Amounts in €000	% incidence on balance sheet items	Description of the nature of the dealings
Transactions with Related Parties:			
<i>Current trade payables</i>	26	1.2%	<i>Legal advice provided by Studio d'Urso Gatti e Associati</i>
<i>Costs for services and the use of third party assets</i>	26	1.8%	<i>Legal advice provided by Studio d'Urso Gatti e Associati</i>
Transactions with Parent companies:			
<i>Tangible assets</i>	45	7.8%	<i>Fittings and motor vehicles provided by Omniainvest S.p.A.</i>
<i>Costs for services and the use of third party assets</i>	53	3.8%	<i>Lease of offices in Mantova made available by Omniaholding S.p.A.</i>
Transactions with Subsidiaries:			
<i>Tangible assets</i>	59	10.3%	<i>Plants and fittings provided by Is Molas S.p.A.</i>
<i>Other non-current financial assets and receivables</i>	14,864	15.7%	<i>Convertible loan granted to RCN Finanziaria S.p.A. and interest</i>
<i>Current trade receivables and other receivables</i>	2,673	34.9%	<i>Amounts due by the Rodriguez group for recharged costs, rental of offices in Roma, interest, fees and consultancy contract</i>
	1,371	17.9%	<i>Amounts due by RCN Finanziaria S.p.A. for recharged costs and interest</i>
	1,342	17.5%	<i>Amounts due by Is Molas S.p.A. for recharged costs, consultancy contract, repayment of emoluments and interest</i>
<i>Current trade receivables and other receivables</i>	1,473	19.2%	<i>Amounts due by the Piaggio group for recharged costs, consultancy contract and repayment of emoluments</i>

	133	1.7%	Amounts due by ISM Investimenti S.p.A. for recharged costs and interest
	31	0.4%	Amounts due by Pietra S.p.A. for interest
<i>Other current financial assets</i>	15,490	20.5%	Loans granted to RCN Finanziaria S.p.A.
	19,000	25.1%	Loan granted to Rodriguez Cantieri Navali S.p.A.
	12,000	15.9%	Loan granted to Intermarine S.p.A.
	6,550	8.7%	Loans granted to Is Molas S.p.A.
	1,770	2.3%	Loan granted to ISM Investimenti S.p.A.
	400	0.5%	Loans granted to Pietra S.r.l.
<i>Current financial liabilities</i>	180	0.1%	Interest-bearing deposit granted by Apuliae S.p.A.
<i>Current trade payables</i>	19	0.8%	Amount due to Piaggio & C. S.p.A. for recharged costs
	43	2.0%	Amount due to Immsi Audit S.C.a R.L. for audit contract
<i>Other current payables</i>	6,283	78.8%	Payables from national tax consolidation agreement
	52	0.7%	Deferred income for loans to Intermarine S.p.A.
	25	0.3%	Deferred income for consultancy contracts to Is Molas S.p.A.
<i>Financial income</i>	191	1.7%	Interest income from RCN Finanziaria S.p.A.
	213	1.9%	Interest income and guarantee fees from the Rodriguez group
	10	0.0%	Interest income from ISM Investimenti S.p.A.
	38	0.3%	Interest income from Is Molas S.p.A.
<i>Operating income</i>	332	27.6%	Consultancy & Assistance contract and rental of offices in Roma and Milano rented to Piaggio & C. S.p.A.
	150	12.4%	Consultancy & Assistance contract with Is Molas S.p.A.
	28	2.3%	Consultancy & Assistance contract and rental of offices in Roma rented to Rodriguez Cantieri Navali S.p.A.
<i>Costs for services and the use of third party assets</i>	19	1.3%	Recharges to be received by Piaggio & C. S.p.A.
	16	1.1%	Internal audit activity presented by Immsi Audit S.C.a R.L.
<i>Other operating income</i>	10	43.5%	Repayment of emoluments and extraordinary income by Piaggio & C. S.p.A.
	10	43.5%	Repayment of emoluments by Is Molas S.p.A.

Figures including non-deductible VAT.

To integrate the above, hereunder we state the additional relationships of Immsi S.p.A. with Related Parties.

Immsi guarantees the financing renewed during the year to Rodriguez Cantieri Navali S.p.A. with a letter of patronage from Banca Antonveneta and used at 31 March 2010 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.

Immsi has lastly issued a letter of patronage to Banca Carige in reference to the credit facilities granted by the bank to Intermarine S.p.A. used at 31 March 2010 for 14.5 million euros.