

PRESS RELEASE

**IMMSI GROUP: FIRST 9 MONTHS OF 2010**

**Consolidated:**

**Net sales € 1,252.4 million (-1.0% from first 9 months of 2009)**

**Consolidated net profit € 13.5 million (+40.7% from first 9 months of 2009)**

**EBITDA € 162.5 mln (+0.1% from first 9 months of 2009)**

**EBITDA margin up to 13% (12.8% in first 9 months of 2009)**

**EBIT € 95.2 mln (+5.5% from first 9 months of 2009)**

**Net debt € 647.3 mln (from 638.0 mln at 31.12.2009)**

\* \* \*

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

**Net profit € 22.1 mln (+100.7% from first 9 months of 2009)**

**Net debt € 63.4 mln (down by € 16.8 mln from € 80.2 mln at 31.12.2009)**

\* \* \*

**Closure of share buyback program**

*Milan, 3 November 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 nine months of 2010.

**Immsi Group consolidated net sales** for the nine months to 30 September 2010 totalled 1,252.4 million euro, down by 1% from 1,264.9 million euro in the first nine months of 2009.

**Consolidated EBITDA** to 30 September 2010 was 162.5 million euro, an increase of 0.1% from 162.3 million euro in the first nine months of 2009. The **EBITDA margin** also improved, rising from 12.8% in the first nine months of 2009 to 13% in the first nine months of 2010.

**Consolidated EBIT** for the first nine months of 2010 was 95.2 million euro, up by 5.5% from 90.2 million euro in the first nine months of 2009. The EBIT margin also rose, to 7.6%, compared with 7.1% in the year-earlier period.

Consolidated **earnings before tax** at 30 September 2010 were 69.8 million euro, an increase of 13.4% from 61.5 million euro in the first nine months of 2009.

**Tax** for the nine months amounted to 41.4 million euro, compared with 39.5 million euro for the first nine months of 2009.

After tax and minority interests, the Group posted a **consolidated net profit** of 13.5 million euro at 30 September 2010, for growth of 40.7% from 9.6 million euro in the first nine months of 2009.

Group **net debt** at 30 September 2010 stood at 647.3 million euro, compared with 638.0 million euro at 31 December 2009.

Group **consolidated shareholders' equity** (gross of minority interests) was 638.7 million euro at 30 September 2010, against 620.6 million euro at 31 December 2009.

Looking at performance in the Immsi Group core businesses, in the **industrial sector (Piaggio group)** net sales in the first nine months of 2010 were 1,176.3 million euro, an increase of 0.3% from the year-earlier period.

In the first nine months of 2010 the Piaggio group sold a total of 493,700 vehicles worldwide, a volume improvement of 3.9% from January-September 2009. The increase arose largely as a result of the group's success on the Asian two-wheeler market and the Indian commercial vehicle market, which, combined with the rise in Piaggio group two-wheeler sales in Europe, excluding Italy, more than made up for the downturns reported on the Italian and US markets.

For the first nine months of 2010, the Piaggio group reported a net profit of 46.7 million euro (+16.5% from the first nine months of 2009), EBITDA of 172.3 million euro (+0.1% from the first nine months of 2009), EBIT of 108.1 million euro (+4.9%) and profit before tax of 88.7 million euro (+11.5% from the first nine months of 2009).

In the **shipbuilding sector (Rodríguez group)**, consolidated net sales at 30 September 2010 amounted to 71.4 million euro, down by 18.0% from 87.1 million euro at 30 September 2009. The decrease related largely to the parent company Rodríguez Cantieri Navali S.p.A. and the subsidiary Intermarine S.p.A.; specifically, the latter was affected by production delays at its Sarzana shipyard caused when the river Magra broke its banks at the beginning and the end of 2009, which led to a four-month standstill in production at the whole Sarzana shipyard (the Rodríguez group's main production unit).

In the **real estate sector and the holding**, including the **Is Molas S.p.A.** subsidiary, which runs a tourist, hotel and sports complex in Pula (Cagliari), net sales at 30 September 2010 were 4.7 million euro, a slight improvement (+1.2%) on net sales in the first nine months of 2009.

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

The parent company Immsi S.p.A. reported a **net profit** for the first nine months of 2010 of approximately 22.1 million euro, compared with 11.0 million euro at 30 September 2009. **Net debt** at 30 September 2010 stood at 63.4 million euro, a significant decrease (approximately 16.8 million euro) from the figure at 31 December 2009. The improvement in the first nine months of 2010 was due largely to proceeds arising on the sales of Piaggio shares and Unicredit rights (for 22.1 and 0.9 million euro respectively) and to the dividends collected from Piaggio & C. S.p.A. and from Unicredit, of 14.2 million euro and 0.3 million euro respectively.

### **Closure of share buyback program**

During the meeting, the Chairman informed the directors that the authorisation for the Immsi share buyback approved by the shareholders' meeting of 29 April 2009 had expired on 29 October 2010. During the period in question, the company did not buy back any shares and currently holds 2,670,000 own shares in portfolio, representing 0.778% of share capital. The authorisation to dispose of own shares was granted without any time restrictions.

### **Events after 30 September 2010 and full-year outlook**

On 2 November 2010, Immsi S.p.A. sold 5,000,000 Piaggio & C. S.p.A. ordinary shares, representing 1.345% of total share capital, to Banca IMI S.p.A., for placement with institutional investors. As a result of the transaction, Immsi S.p.A.'s shareholding in Piaggio & C. S.p.A.

decreased from 54.393% to 53.048% of share capital. The proceeds from the sale amount to approximately 12.2 million euro, and the gross capital gain is approximately 5.5 million euro.

At the Rodriguez Cantieri Navali group, in October the Boards of Directors and the extraordinary shareholders' meetings approved the upstream merger of the wholly owned subsidiaries Conam S.p.A. and Rodriguez Marine System s.r.l. into and with Rodriguez Cantieri Navali S.p.A.

As far as the full-year outlook is concerned, in the industrial sector, the Piaggio group will continue its industrial and commercial growth strategy on key Asian markets during the fourth quarter of 2010, in order to strengthen its leadership on the Indian three- and four-wheel light commercial vehicle market and win additional market share in the scooter sector in Vietnam. At corporate level, Piaggio group R&D will focus on the renewal of the product ranges – scooters, motorcycles and commercial vehicles – with particular attention to development of energy-efficient engines with little or zero environmental impact.

\* \* \*

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 Quarterly Report to 30 September 2010 is not subject to auditing.

Immsi S.p.A. said that the Quarterly Report to 30 September 2010 would be available for the public at the company head office in Mantua and at Borsa Italiana S.p.A., and posted on the company website [www.immsi.it](http://www.immsi.it), as from 5 November 2010.

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## Immsi Group reclassified income statement

In thousands of euro	30 September 2010		30 September 2009		Change	in %
<b>Net sales</b>	<b>1,252,407</b>	<b>100%</b>	<b>1,264,855</b>	<b>100%</b>	<b>-12,448</b>	<b>-1.0%</b>
Cost of materials	711,761	56.8%	725,616	57.4%	-13,855	-1.9%
Cost of services and use of third-party assets	240,835	19.2%	249,108	19.7%	-8,273	-3.3%
Employee expenses	202,399	16.2%	202,854	16.0%	-455	-0.2%
Other operating income	96,823	7.7%	107,520	8.5%	-10,697	-9.9%
Other operating costs	31,784	2.5%	32,531	2.6%	-747	-2.3%
<b>EBITDA</b>	<b>162,451</b>	<b>13.0%</b>	<b>162,266</b>	<b>12.8%</b>	<b>185</b>	<b>0.1%</b>
Depreciation of property, plant and equipment	29,844	2.4%	30,360	2.4%	-516	-1.7%
Goodwill amortisation	0	-	0	-	0	-
Amortisation intangible assets with finite life	37,415	3.0%	41,672	3.3%	-4,257	-10.2%
<b>EBIT</b>	<b>95,192</b>	<b>7.6%</b>	<b>90,234</b>	<b>7.1%</b>	<b>4,958</b>	<b>5.5%</b>
Share of result of associates	0	-	172	0.0%	-172	-100.0%
Finance income	19,331	1.5%	15,817	1.3%	3,514	22.2%
Finance expense	44,747	3.6%	44,692	3.5%	55	0.1%
<b>EARNINGS BEFORE TAX</b>	<b>69,776</b>	<b>5.6%</b>	<b>61,531</b>	<b>4.9%</b>	<b>8,245</b>	<b>13.4%</b>
Income tax	41,408	3.3%	39,546	3.1%	1,862	4.7%
<b>NET PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>	<b>28,368</b>	<b>2.3%</b>	<b>21,985</b>	<b>1.7%</b>	<b>6,383</b>	<b>29.0%</b>
Profit (loss) from discontinued operations	0	-	0	-	0	-
<b>NET PROFIT FOR THE PERIOD INCLUDING MINORITY INTERESTS</b>	<b>28,368</b>	<b>2.3%</b>	<b>21,985</b>	<b>1.7%</b>	<b>6,383</b>	<b>29.0%</b>
Minority interests	14,910	1.2%	12,419	1.0%	2,491	20.1%
<b>GROUP NET PROFIT FOR THE PERIOD</b>	<b>13,458</b>	<b>1.1%</b>	<b>9,566</b>	<b>0.8%</b>	<b>3,892</b>	<b>40.7%</b>

## Immsi Group statement of comprehensive income

In thousands of euro	30 September 2010	30 September 2009
<b>NET PROFIT FOR THE PERIOD INCLUDING MINORITY INTERESTS</b>	28,368	21,985
Effective component of gains (losses) on cash flow hedges	(1,803)	703
Gains (losses) on translation of financial statements of foreign entities	3,278	(1,944)
Fair value gains (losses) on available-for sale assets	(4,336)	13,952
<b>TOTAL OTHER GAINS (LOSSES) FOR THE PERIOD</b>	(2,861)	12,711
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>	25,507	34,696
Minority interests	15,834	11,856
<b>GROUP COMPREHENSIVE INCOME FOR THE PERIOD</b>	9,673	22,840

## Immsi Group reclassified balance sheet

In thousands of euro	30.09.2010	in %	31.12.2009	in %	30.09.2009	in %
<b>Current assets:</b>						
Cash and cash equivalents	157,716	6.8%	206,508	9.2%	202,886	8.5%
Financial assets	25,594	1.1%	4,462	0.2%	31,126	1.3%
Operating assets	742,475	32.1%	650,411	28.9%	771,030	32.4%
<b>Total current assets</b>	<b>925,785</b>	<b>40.1%</b>	<b>861,381</b>	<b>38.3%</b>	<b>1,005,042</b>	<b>42.2%</b>
<b>Non-current assets:</b>						
Financial assets	0	0.0%	0	0.0%	0	0.0%
Intangible assets	823,187	35.6%	820,265	36.5%	820,759	34.5%
Property, plant and equipment	290,202	12.6%	298,375	13.3%	297,075	12.5%
Other assets	270,540	11.7%	269,100	12.0%	256,266	10.8%
<b>Total non-current assets</b>	<b>1,383,929</b>	<b>59.9%</b>	<b>1,387,740</b>	<b>61.7%</b>	<b>1,374,100</b>	<b>57.8%</b>
<b>TOTAL ASSETS</b>	<b>2,309,714</b>	<b>100.0%</b>	<b>2,249,121</b>	<b>100.0%</b>	<b>2,379,142</b>	<b>100.0%</b>
<b>Current liabilities :</b>						
Financial liabilities	375,988	16.3%	364,719	16.2%	445,425	18.7%
Operating liabilities	689,072	29.8%	616,539	27.4%	748,415	31.5%
<b>Total current liabilities</b>	<b>1,065,060</b>	<b>46.1%</b>	<b>981,258</b>	<b>43.6%</b>	<b>1,193,840</b>	<b>50.2%</b>
<b>Non-current liabilities:</b>						
Financial liabilities	454,623	19.7%	484,207	21.5%	414,320	17.4%
Other non-current liabilities	151,373	6.6%	163,047	7.2%	154,449	6.5%
<b>Total non-current liabilities</b>	<b>605,996</b>	<b>26.2%</b>	<b>647,254</b>	<b>28.8%</b>	<b>568,769</b>	<b>23.9%</b>
<b>TOTAL LIABILITIES</b>	<b>1,671,056</b>	<b>72.3%</b>	<b>1,628,512</b>	<b>72.4%</b>	<b>1,762,609</b>	<b>74.1%</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>638,658</b>	<b>27.7%</b>	<b>620,609</b>	<b>27.6%</b>	<b>616,533</b>	<b>25.9%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2,309,714</b>	<b>100.0%</b>	<b>2,249,121</b>	<b>100.0%</b>	<b>2,379,142</b>	<b>100.0%</b>

## Immsi Group cash flow statement

In thousands of euro	30 September 2010	30 September 2009
<b>Operating activities</b>		
Net profit for the period	13,458	9,566
Minority interests	14,910	12,419
Tax	41,408	39,546
Depreciation fixed assets (including investment property)	29,844	30,360
Amortisation intangible assets	37,415	41,672
Provision for risks, retirement funds and similar	30,281	23,727
Write-downs / (Write-ups)	1,967	2,428
Losses / (gains) on sale of fixed assets (including investment property)	(1,958)	15
Losses / (gains) on sale of securities	0	1,340
Interest income	(2,025)	(6,342)
Dividend income	(11)	0
Interest expense	24,519	29,266
Amortisation of government grants	(3,115)	(7,923)
Change in working capital	(32,421)	(59,580)
Change in non-current provisions and other changes	(54,595)	(41,968)
<b>Cash generated by operating activities</b>	<b>99,677</b>	<b>74,526</b>
Interest expense paid	(19,223)	(23,675)
Tax paid	(27,103)	(23,418)
<b>Cash flow from operating activities</b>	<b>53,351</b>	<b>27,433</b>
<b>Investing activities</b>		
Acquisition of subsidiaries, less cash and cash equivalents	(8,438)	(2,877)
Sale price of subsidiaries, less cash and cash equivalents	22,090	9,205
Investment in fixed assets	(18,561)	(31,466)
Sale price, or repayment value, of fixed assets (including investment property)	3,702	941
Investment in intangible assets	(38,749)	(37,992)
Sale price, or repayment value, of intangible assets	176	99
Interest collected	1,372	1,435
Sale price of discontinued operations	17	0
Government grants received	17	8,906
Dividends from equity investments	0	0
Other changes	(21,132)	(4,414)
<b>Cash flow from investing activities</b>	<b>(59,506)</b>	<b>(56,163)</b>
<b>Financing activities</b>		
Own-share buybacks	(3,344)	(1,023)
Capital increase from minority shareholders	2,000	0
Outlay for dividends paid to parent shareholders	(10,216)	0
Outlay for dividends paid to minority shareholders	(11,609)	(9,383)
Other changes	(24,020)	197,204
<b>Cash flow from financing activities</b>	<b>(47,189)</b>	<b>186,798</b>
<b>Increase / (Decrease) in cash and cash equivalents</b>	<b>(53,344)</b>	<b>158,068</b>
<b>Opening balance</b>	<b>184,571</b>	<b>16,403</b>
Exchange-rate differences	12	(1,904)
<b>Closing balance</b>	<b>131,239</b>	<b>172,567</b>