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

30 September 2010

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	***Chairman***
Carlo d'Urso	***Deputy Chairman***
Michele Colaninno (1)	***Managing Director***
Matteo Colaninno	***Director***
Mauro Gambaro	***Director***
Giorgio Cirla	***Director***
Giovanni Sala	***Director***
Enrico Maria Fagioli Marzocchi	***Director***
Ruggero Magnoni(2)	***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***

GENERAL MANAGER

Michele Colaninno

(1) Appointed Managing Director, in place of Luciano La Noce, upon the Board's resolution on 27 August 2010.

(2) Co-opted Director, in place of Luciano La Noce, upon the Board's resolution on 27 August 2010.

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 D.Lgs. 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

Michele Colaninno [1]

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

(1) Appointed, in place of Luciano La Noce, upon the Board's resolution on 27 August 2010.

Main income and balance sheet figures of the Immsi Group

Immsi Group at 30 September 2010

In thousands of euros	*Property and holding sector**	*in %*	*Industrial sector*	*in %*	*Naval sector*	*in %*	*Immsi Group*	*in %*
Net revenues	4,701		1,176,301		71,405		1,252,407	
Operating earnings before depreciation and amortisation (EBITDA)	-4,133	-87.9%	172,333	14.7%	-5,749	-8.1%	162,451	13.0%
Operating earnings (EBIT)	-4,716	-100.3%	108,145	9.2%	-8,237	-11.5%	95,192	7.6%
Earnings before taxation	-8,061	-171.5%	88,664	7.5%	-10,827	-15.2%	69,776	5.6%
Earnings for the period including non-controlling interest	-7,481	-159.1%	46,726	4.0%	-10,877	-15.2%	28,368	2.3%
Group earnings for the period (consolidable)	-5,420	-115.3%	25,750	2.2%	-6,872	-9.6%	13,458	1.1%
Net financial position	-180,423		-342,936		-123,942		-647,301	
Personnel (number)	99		7,587		371		8,057	

Immsi Group at 30 September 2009

In thousands of euros	*Property and holding sector **	*in %*	*Industrial sector*	*in %*	*Naval sector*	*in %*	*Immsi Group*	*in %*
Net revenues	4,645		1,173,149		87,061		1,264,855	
Operating earnings before depreciation and amortisation (EBITDA)	-2,867	-61.7%	172,107	14.7%	-6,974	-8.0%	162,266	12.8%
Operating earnings (EBIT)	-3,419	-73.6%	103,123	8.8%	-9,470	-10.9%	90,234	7.1%
Earnings before taxation	-10,396	-223.8%	79,507	6.8%	-7,580	-8.7%	61,531	4.9%
Earnings for the period including non-controlling interest	-9,883	-212.8%	40,110	3.4%	-8,242	-9.5%	21,985	1.7%
Group earnings for the period (consolidable)	-7,914	-170.4%	22,694	1.9%	-5,214	-6.0%	9,566	0.8%
Net financial position	-165,769		-352,556		-107,408		-625,733	
Personnel (number)	89		7,588		406		8,083	

* The “property and holding sector” sets out some of the main income and balance sheet figures – net of the intragroup annulments and with reference to the consolidable share – 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..

Form and contents of the interim report

This Interim Management Report at 30 September 2010, drawn up in conformity with the provisions of art. 154-*ter* of the Italian Legislative Decree D.Lgs. 58/1998 and subsequent amendments (“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 30 September 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, from 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 nine months of 2010 compared with the same period in 2009, as well as the reclassified statement of financial situation at 30 September 2010 compared with the situation at 31 December 2009 and at 30 September 2009 and the statement of cash flows at 30 September 2010 compared with the same period of the year 2009. There is also a statement of changes in shareholders' equity at 30 September 2010 compared with the figures for the same period of the previous 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 financial situation 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 nine 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 report 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 30 September 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, or 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 30 September 2009. In particular, the variation recorded in the perimeter of consolidation related to the establishment, on 12 March 2010, of a new selling agency in Canada by the Piaggio group did not alter the comparability of the balance sheet and income results between the two periods of reference, in consideration of the limited entity of the change made.
On the contrary, the consolidated share of the Piaggio group, that at 30 September 2010 amounted to 55.12% was equal to 57.59% at 30 September 2009. This change is the consequence of the combined effect of i) the sale by Immsi S.p.A. of 10 million shares of Piaggio & C. S.p.A. to Banca IMI in March 2010; ii) the cancellation of 24,247,007 treasury stock held in portfolio by Piaggio & C. S.p.A. (equal to approximately 6.12% of the total shares prior to cancellation) as deliberated by the company Shareholders' Meeting held on 16 April 2010 and iii) the further purchases of Piaggio shares on the "*MTA-Mercato Telematico Azionario"* (Electronic Share Market) by Piaggio & C. S.p.A. (at 30 September 2010 Piaggio & C. S.p.A. holds no. 4,882,711 treasury stocks, equal to 1.31% of the share capital).
It should be pointed out that the above percentages used for consolidations purposes are calculated as the ratio between shares held by Immsi S.p.A. compared to the total Piaggio & C. S.p.A. shares, net of the treasury stocks held by the subsidiary itself.

Consolidated reclassified financial statements and explanatory notes

Reclassified income statement of the Immsi Group

In thousands of euros	*30 September 2010*		*30 September 2009*		**Change**	**in %**
Net revenues	**1,252,407**	**100%**	**1,264,855**	**100%**	**-12,448**	**-1.0%**
Costs for materials	711,761	56.8%	725,616	57.4%	-13,855	-1.9%
Costs for services and the use of third party assets	240,835	19.2%	249,108	19.7%	-8,273	-3.3%
Personnel costs	202,399	16.2%	202,854	16.0%	-455	-0.2%
Other operating income	96,823	7.7%	107,52	8.5%	-10,697	-9.9%
Other operating costs	31,784	2.5%	32,531	2.6%	-747	-2.3%
OPERATING EARNINGS BEFORE DEPRECIATION AND AMORTISATION	**162,451**	**13.0%**	**162,266**	**12.8%**	**185**	**0.1%**
Depreciation of tangible assets	29,844	2.4%	30,360	2.4%	-516	-1.7%
Impairment of goodwill	0	-	0	-	0	-
Amortisation of finite life intangible assets	37,415	3.0%	41,672	3.3%	-4,257	-10.2%
OPERATING EARNINGS	**95,192**	**7.6%**	**90,234**	**7.1%**	**4,958**	**5.5%**
Earnings on equity investments	0	-	172	0.0%	-172	-100.0%
Financial income	19,331	1.5%	15,817	1.3%	3,514	22.2%
Financial charges	44,747	3.6%	44,692	3.5%	55	0.1%
EARNINGS BEFORE TAXATION	**69,776**	**5.6%**	**61,531**	**4.9%**	**8,245**	**13.4%**
Taxation	41,408	3.3%	39,546	3.1%	1,862	4.7%
EARNINGS AFTER TAXATION FROM CONTINUING ASSETS	**28,368**	**2.3%**	**21,985**	**1.7%**	**6,383**	**29.0%**
Profit (loss) from assets for disposal or sale	0	-	0	-	0	-
EARNINGS FOR THE PERIOD INCLUDING NON-CONTROLLING INTEREST	**28,368**	**2.3%**	**21,985**	**1.7%**	**6,383**	**29.0%**
Non-controlling interest earnings for the period	14,910	1.2%	12,419	1.0%	2,491	20.1%
GROUP EARNINGS FOR THE PERIOD	**13,458**	**1.1%**	**9,566**	**0.8%**	**3,892**	**40.7%**

- At 30 September 2010 the Costs for materials, services and use of third party assets include costs for transactions with Related Parties for a total of 33.6 million euros (around 25.8 million euros at 30 September 2009) substantially referring to the purchase of components from companies associated with the Piaggio group (Piaggio Foshan Motorcycle);
- At 30 September 2010 the Other operating income include 1.3 million euros for income made with Piaggio Foshan Motorcycle, compared to 1.1 million euros at 30 September 2009.

For greater detail on the transactions between related parties taking place during the period to 30 September 2010 reference is made to the tables given at the foot of this Report.

Statement of comprehensive income of the Immsi Group

In thousands of euros	**30 September 2010**	**30 September 2009**
EARNINGS FOR THE PERIOD INCLUDING NON-CONTROLLING INTEREST	28,368	21,985
Gains/(Losses) on cash flow hedges	(1,803)	703
Gains/(Losses) on exchange differences on translating foreign operations	3,278	(1,944)
Gains/(Losses) on evaluation at fair value of assets available for sale	(4,336)	13,952
TOTAL OTHER GAINS (LOSSES) FOR THE PERIOD	(2,861)	12,711
TOTAL OF COMPREHENSIVE INCOME (LOSSES) FOR THE PERIOD	25,507	34,696
Total non-controlling interest earnings for the period	15,834	11,856
TOTAL GROUP EARNINGS FOR THE PERIOD	9,673	22,840

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

Net revenues

Consolidated net revenues at 30 September 2010 amount to 1,252.4 million euros, of which 93.9% (1,176.3 million euros) are attributable to the industrial sector (Piaggio group), 5.7% (71.4 million euros) to the naval sector (Rodriquez group) and the balance (about 4.7 million euros) to the property and holding sector (Immsi S.p.A. and Is Molas S.p.A. net of the intragroup annulments).

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 nine months of 2010 are at 1,176.3 million euros, an increase of 0.3% compared to the same period in 2009. After analysing the trends in net 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. Sales in the Commercial Vehicle division passed from 310.6 million euros in the first nine months of 2009 to 364.2 million euros in the first nine months of 2010 (+17.2%). In particular, the sales generated in India reached 282 million euros while in Europe sales were equal to 82.2 million euros.

As regards the naval sector, consolidated revenues come to 71.4 million euros at 30 September 2010, down by 18%, on 87.1 million euros at 30 September 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 30 September 2010, equal to 4.7 million euros, slightly improved compared to the net revenues in the first nine months of 2009 (+1.2%), mainly due to higher revenues from rents by Immsi S.p.A..

Operating earnings before depreciation and amortisation (EBITDA)

Consolidated operating earnings before depreciation and amortisation (EBITDA) amounts to 162.5 million euros at 30 September 2010 (13% of net revenues). Compared to the operating earnings before depreciation and amortisation (EBITDA) for the first nine months of 2009, this value slightly increased by around 0.2 million euros. At 30 September 2009 this figure amounted to 162.3 million euros (12.8% of net revenues).

The portion attributable to the industrial sector amounts to 172.3 million euros, 0.2 million euros increase compared to the balance at 30 September 2009 (172.1 million euros) and 14.7% of the net revenues of the sector, that has not changed in the two periods.

One of the main cost item of the Immsi Group is represented by personnel costs equal to 202.4 million euros (16.2% of net revenues), a 0.5 million euros slight decrease compared to the value recorded during the same period in 2009, equal to 202.9 million euros (16% of net revenues of the Group).

Operating earnings (EBIT)

Operating income (EBIT) amounts to 95.2 million euros (7.6% of net revenues). The increase on the same period of 2009 is around 5 million euros. Consolidated operating income (EBIT) for the first nine months of the preceding period was 90.2 million euros (7.1% of net revenues).
Depreciation and amortisation for the period come to a total of 67.3 million euros (5.4% of net revenues), being made up of 29.9 million euros of depreciation of tangible assets and 37.4 million euros of amortisation of intangible assets.
Moreover, it is pointed out that operating earnings do not include impairments of goodwill either in the first nine months of 2010 or in the same period of preceding year, 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 carried out on 31 December 2009 no write-downs were deemed to be necessary in that such goodwill is considered to be recoverable with future cash flows. In addition, it should be noted that during the first nine months of 2010 no events occurred such as to indicate that the activities subject of impairment testing could have suffered a significant loss in value.

Earnings before taxation

Earnings before taxation amounts to 69.8 thousand euros (5.6% of net revenues) at 30 September 2010. The corresponding consolidated figure for the first nine months of the previous year was 61.5 million euros (4.9% of net revenues).

Financial charges, net of income and of earnings on equity investments, in the first nine months of 2010 come to 25.4 million euros (2.1% of net revenues). At 30 September 2009 this figure amounted to 28.7 million euros, 2.3% incidence on net revenues. The decrease recorded during the first nine 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 debenture loan of the Piaggio group and a positive trend in the foreign exchange management.

In particular, financial charges (net of the income) were 19.5 million euros for the Piaggio group, 2.6 million euros for the Rodriquez group, while the balance (3.3 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 13.5 million euros at 30 September 2010 (1.1% of net revenues). In the first nine months of the previous year, this figure was 9.6 million euros (0.8% of net revenues).
The taxes under accrual basis amount to 41.4 million euros (compared to 39.5 million euros in the corresponding period of 2009), mainly following 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:	30 September 2010	30 September 2009
Basic	0.040	0.028
Diluted	0.040	0.028

Average number of shares:	340,530,000	340,530,000

Diluted earnings per share correspond to the basic profit in that there are no potential shares having a diluting effect.
At the interim Report closing date there are no gains or losses from assets intended for sale or disposal.

Reclassified financial situation of the Immsi Group

In thousands of euros	30.09.2010	in %	31.12.2009	in %	30.09.2009	in %
Current assets:						
Cash and cash equivalent	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%
Total current assets	**925,785**	**40.1%**	**861,381**	**38.3%**	**1,005,042**	**42.2%**
Non-current assets:						
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%
Tangible assets	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%
Total non-current assets	**1,383,929**	**59.9%**	**1,387,740**	**61.7%**	**1,374,100**	**57.8%**
TOTAL ASSETS	**2,309,714**	**100.0%**	**2,249,121**	**100.0%**	**2,379,142**	**100.0%**
Current liabilities:						
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%
Total current liabilities	**1,065,060**	**46.1%**	**981,258**	**43.6%**	**1,193,840**	**50.2%**
Non-current liabilities:						
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%
Total non-current liabilities	**605,996**	**26.2%**	**647,254**	**28.8%**	**568,769**	**23.9%**
TOTAL LIABILITIES	**1,671,056**	**72.3%**	**1,628,512**	**72.4%**	**1,762,609**	**74.1%**
TOTAL SHAREHOLDERS' EQUITY	**638,658**	**27.7%**	**620,609**	**27.6%**	**616,533**	**25.9%**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,309,714**	**100.0%**	**2,249,121**	**100.0%**	**2,379,142**	**100.0%**

- At 30 September 2010 Operating assets include current trade receivables and other receivables for transactions with Related Parties totalling 2.4 million euros (1.8 million euros at 31 December 2009 and 2.6 million euros at 30 September 2009);
- Al 30 September 2010 Operating liabilities include trade payables and other payables arising from transactions with Related Parties amounting to 11.9 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 11.4 million euros at 30 September 2009).
For greater detail on the relations between related parties taking place during the period to 30 September 2010 reference is made to the tables given at the foot of this Report.

Analysis of capital employed by the Immsi Group

In thousands of euros	30.09.2010	in %	31.12.2009	in %	30.09.2009	in %
Current operating assets	742,475	51.7%	650,411	45.8%	771,030	55.2%
Current operating liabilities	-689,072	-47.9%	-616,539	-43.4%	-748,415	-53.6%
Net operating working capital	**53,403**	**3.7%**	**33,872**	**2.4%**	**22,615**	**1.6%**
Intangible assets	823,187	57.3%	820,265	57.7%	820,759	58.8%
Tangible assets	290,202	20.2%	298,375	21.0%	297,075	21.3%
Other assets	270,540	18.8%	269,100	18.9%	256,266	18.3%
Invested capital	**1,437,332**	**100.0%**	**1,421,612**	**100.0%**	**1,396,715**	**100.0%**
Non-current non-financial liabilities	151,373	10.5%	163,047	11.5%	154,449	11.1%
Non-controlling interest capital and reserves	216,896	15.1%	203,012	14.3%	198,557	14.2%
Consolidated shareholders' equity of the Group	421,762	29.3%	417,597	29.4%	417,976	29.9%
Total non-financial sources	**790,031**	**55.0%**	**783,656**	**55.1%**	**770,982**	**55.2%**
Net financial debt	**647,301**	**45.0%**	**637,956**	**44.9%**	**625,733**	**44.8%**

Invested capital

Invested capital amounts to 1,437.3 million euros at 30 September 2010, for an increase both on 31 December 2009 (+15.7 million euros) and on 30 September 2009 (+40.6 million euros) equal to 1,421.6 million euros and 1,396.7 million euros respectively. Compared with the beginning of the year, net working capital has risen by 19.5 million euros. The decrease in the tangible assets totalled 8.2 million euros compared to 31 December 2009, whereas intangible assets increased by 2.9 million euros compared to 31 December 2009.

Net Financial Debt of the Immsi Group

In thousands of euros	*30.09.2010*	*31.12.2009*	*30.09.2009*
Short-term liquidity			
Cash and cash equivalent	-157,716	-206,508	-202,886
Financial assets	-25,594	-4,462	-31,126
Total short-term financial assets	**-183,310**	**-210,970**	**-234,012**
Short-term financial payables			
Bonds	0	0	60,980
Amounts due to bank	344,194	334,684	344,546
Amounts due under finance leases	792	800	792
Amounts due to other lenders	31,002	29,235	39,107
Total short-term financial payables	**375,988**	**364,719**	**445,425**
Total short-term financial debt	**192,678**	**153,749**	**211,413**
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	138,321	137,665	59,619
Amounts due to bank	272,342	311,733	320,788
Amounts due under finance leases	7,688	8,329	8,548
Amounts due to other lenders	36,272	26,480	25,365
Total medium/long-term financial payables	**454,623**	**484,207**	**414,320**
Total medium/long-term financial debt	**454,623**	**484,207**	**414,320**
Net financial debt	**647,301**	**637,956**	**625,733**

The Group's net financial debt at 30 September 2010 amounted to 647.3 million euros, an increase both over 31 December 2009 and over 30 September 2009, for 9.3 million and 21.6 million euros respectively. 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, passing from a balance equal to 153.7 million euros to a balance equal to 192.7 million euros, mainly due to a decrease in short-term liquidity. The financial debt over the medium and long term is decreasing compared to the balance at 31 December 2009 (equal to 484.2 million euros) for around 29.6 million euros and increasing compared to the balance at 30 September 2009 (equal to 414.3 million euros) for around 40.3 million euros.

Investment

Gross capital investment during the period to 30 September 2010 totalled 65.7 million euros, divided among tangible assets for 18.6 million euros (of which 17.2 million euros by Piaggio group), intangible assets for 38.7 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	*30 September 2010*	*30 September 2009*
Operating assets		
Earnings of the period	13,458	9,566
Non-controlling interest	14,910	12,419
Taxation	41,408	39,546
Depreciation of tangible assets (including property investments)	29,844	30,360
Amortisation of intangible assets	37,415	41,672
Provisions for risks and for severance indemnity and similar obligations	30,281	23,727
Write-downs / (Revaluations)	1,967	2,428
Losses / (Gains) on disposal of tangible assets (including property investments)	(1,958)	15
Losses / (Gains) on disposal of securities	0	1,340
Interest receivable	(2,025)	(6,342)
Dividend income	(11)	0
Interest payable	24,519	29,266
Depreciation of grants	(3,115)	(7,923)
Change in working capital	(32,421)	(59,580)
Changes of non-current reserves and other changes	(54,595)	(41,968)
Cash generated from operations	99,677	74,526
Interest paid	(19,223)	(23,675)
Taxation paid	(27,103)	(23,418)
Cash flow from operations	53,351	27,433
Investments		
Acquisition of subsidiaries, net of cash and cash equivalents	(8,438)	(2,877)
Sale price of subsidiaries, net of cash and cash equivalents	22,090	9,205
Investments in tangible assets	(18,561)	(31,466)
Sale price, or repayment value, of tangible assets (including property investments)	3,702	941
Investments in intangible assets	(38,749)	(37,992)
Sale price, or repayment value, of intangible assets	176	99
Interests received	1,372	1,435
Sale price from assets intended for disposal or sale	17	0
Public grants received	17	8,906
Other changes	(21,132)	(4,414)
Cash flow from investments	(59,506)	(56,163)
Financing		
Purchase of treasury stock	(3,344)	(1,023)
Increase in share capital by third parties	2,000	0
Outflow for dividends paid to Parent company Shareholders	(10,216)	0
Outflow for dividends paid to non-controlling Interest	(11,609)	(9,383)
Other changes	(24,020)	197,204
Cash flow from financing	(47,189)	186,798
Increase / (Decrease) in cash and cash equivalents	(53,344)	158,068
Opening balance	184,571	16,403
Exchange differences	12	(1,904)
Closing balance	131,239	172,567

The variations in the working capital include lower trade payables and other payables toward related parties for 1.6 million euros and higher trade receivables and other receivables from related parties for 0.6 million euros. For greater detail on the relations between related parties taking place during the period to 30 September 2010 reference is made to the tables given at the foot of this Report.

This schedule illustrates the changes in cash and cash equivalents, net of short-term bank overdrafts totalling 26.5 million euros at 30 September 2010.

Total shareholders' equity and equity pertaining to the Immsi Group

In thousands of euros	Consolidated Group shareholders' equity	Consolidated non-controlling interest shareholders' equity	Total of consolidated Group and non-controlling interest shareholders' equity
Balances at 1st January 2009	**394,679**	**190,704**	**585,383**
Distribution of dividends	0	(9,383)	(9,383)
Increases in share capital against payment in the Parent Company	0	0	0
Figurative cost of stock options	877	645	1,522
Other changes	(420)	4,735	4,315
Total net earnings for the period	22,840	11,856	34,696
Balances at 30 September 2009	**417,976**	**198,557**	**616,533**

In thousands of euros	Consolidated Group Shareholders' equity	Consolidated non-controlling interest shareholders' equity	Total of consolidated Group and non-controlling interest shareholders' equity
Balances at 1st January 2010	**417,597**	**203,012**	**620,609**
Distribution of dividends	(10,216)	(11,609)	(21,825)
Increases in share capital against payment in the Parent Company	0	0	0
Figurative cost of stock options	1,137	925	2,062
Other changes	3,571	8,734	12,305
Total net earnings for the period	9,673	15,834	25,507
Balances at 30 September 2010	**421,762**	**216,896**	**638,658**

Human resources

At 30 September 2010, Immsi Group employed 8,057 staff, of which 99 in the property and holding sector, 7,587 in the industrial sector (Piaggio group) and 371 in naval (Rodriquez group).

The following tables divide resources by category and geographical area:

Human resources by category

numbers	30/09/2010			
	Property and holding sector	**Industrial sector**	**Naval sector**	**Group total**
Senior managers	7	107	11	125
Middle managers and employees	39	2,596	171	2,806
Manual workers	53	4,884	189	5,126
TOTAL	**99**	**7,587**	**371**	**8,057**

Human resources by geographical area

numbers	30/09/2010			
	Property and holding sector	**Industrial sector**	**Naval sector**	**Group total**
Italy	99	4,184	371	4,654
Rest of Europe	0	472	0	472
Rest of the World	0	2,931	0	2,931
TOTAL	**99**	**7,587**	**371**	**8,057**

Human resources by category

numbers	30/09/2010	31/12/2009	Change
Senior managers	125	130	-5
Middle managers and employees	2,806	2,717	89
Manual workers	5,126	4,902	224
TOTAL	**8,057**	**7,749**	**308**

Human resources by geographical area

numbers	30/09/2010	31/12/2009	Change
Italy	4,654	4,580	74
Rest of Europe	472	535	-63
Rest of the World	2,931	2,634	297
TOTAL	**8,057**	**7,749**	**308**

The increase in the number of employees compared to 31 December 2009 (+308) 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 nine months of 2010 the Immsi Group shows net revenues slightly decreasing due to 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

In thousands of euros	*30.09.2010*	*in %*	*30.09.2009*	*in %*	*Change*	*in %*
Net revenues	4,701		4,645		56	1.2%
Operating earnings before depreciation and amortisation (EBITDA)	-4,133	-87.9%	-2,867	-61.7%	-1,266	-44.2%
Operating earnings (EBIT)	-4,716	-100.3%	-3,419	-73.6%	-1,297	-37.9%
Earnings before taxation	-8,061	-171.5%	-10,396	-223.8%	2,335	22.5%
Earnings for the period including non-controlling interest	-7,481	-159.1%	-9,883	-212.8%	2,402	24.3%
Group earnings for the period (consolidated)	-5,420	-115.3%	-7,914	-170.4%	2,494	31.5%
Net financial position	-180,423		-165,769		-14,654	-8.8%
Personnel (number)	99		89		10	11.2%

The “property and holding sector” sets out some of the main income and balance sheet figures – net of the intragroup annulments and with reference to the consolidable share – 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 during the first nine months of the year 2010 equal to around 22.1 million euros compared to 11 million euros at 30 September 2009 mainly due to the higher positive financial items of income.
In the month of January, following the increase in capital deliberated by Unicredit (of which Immsi S.p.A. holds approximately 9.3 million shares in its portfolio), the Company sold the related assigned rights on the market (with a ratio of 1 right per share held) for a revenue and gross gains of 0.9 million euros.
In the month of March, 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. It should be stated that the gain has no effect on the consolidated net result, in accordance with the accounting standards of reference.
The dividends distributed in the month of May by the subsidiary Piaggio & C. S.p.A. and collected by Immsi S.p.A. amount to 14.2 million euros compared to 12.7 million in 2009, despite the decrease in the number of shares held (from around 212.2 million at the end of May 2009, the dividend payment date, to around 202.2 million at the time of payment at the end of May 2010) and with the coupon passed from 0.06 euros per share in 2009 to 0.07 euros per share in the year 2010. It should be noted that the dividends received from consolidated subsidiaries have no effect on the consolidated net result, as a consequence of their elimination while performing intra-group annulments.

In the month of May, the Company moreover collected approximately 0.3 million euros for dividends related to the approximately 9.3 million Unicredit shares held in its portfolio, with a coupon equal to 0.03 euros per share.
The net financial debt at 30 September 2010 is 63.4 million euros, significantly less (approximately 16.8 million euros) than the figure at 31 December 2009. The improvement highlighted in the first nine months of 2010 is mainly due to the above-mentioned collections related to the sale of Piaggio shares and Unicredit rights (respectively equal to 22.1 and 0.9 million euros) as well as the collections related to the dividends distributed by Piaggio & C. S.p.A. and by Unicredit respectively equal to 14.2 million euros and 0.3 million euros. These positive streams have only partially been compensated for by the disbursement related to the payment by Immsi S.p.A. of the dividends of the Company's shareholders for a total value of 10.2 million euros as well as the outflow of 6.4 million sustained in the month of February and related to undersigning the financial instruments issued by the subsidiary 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, ISM Investimenti S.p.A. holds 85% of the share capital of Is Molas S.p.A.. The net cash flow from management of Immsi S.p.A., net of the above operations, has therefore produced further cash absorption equal to about 4.0 million euros.

With reference to the subsidiaries **Is Molas S.p.A.** and to the **Pietra Ligure project (Pietra S.r.l.)**, it is noted that the third quarter of 2010 saw the continuation of the professional activities aimed at completing the relevant bureaucratic affairs, without any substantial development in relation to the situation found at 30 June 2010.
In particular, with reference to Is Molas S.p.A., it is pointed out that the net revenues in the first nine months of 2010 total 2.7 million euros compared to 2.8 million euros of the preceding year.

Overall, the property and holding company sector, which also includes the activities of RCN Finanziaria S.p.A., ISM Investimenti S.p.A. and Immsi Audit S.c.a.r.l. produced in the first nine months of 2010 a consolidable negative net result equal to 5.4 million euros (negative result equal to 7.9 million at 30 September 2009) and a negative net financial position equal to 180.4 million euros (165.8 million at 30 September 2009). The reduction in the consolidable loss is basically associated with the improved result of the Parent Company Immsi S.p.A. (net of the annulments on intragroup proceeds), while the variation in the net financial position (increase in the debt of 14.7 million euros) is mainly referable to the capital issue of 30 million euros undersigned and paid up by RCN Finanziaria S.p.A. to Rodriquez Cantieri Navali S.p.A., only partially compensated for by the decrease in the net financial debt of the Parent Company (from 84.9 million at 30 September 2009 to 63.4 million at 30 September 2010). The financial resources to back up the aforesaid increase in capital in Rodriquez Cantieri Navali S.p.A. by RCN Finanziaria S.p.A. have been made available by Immsi S.p.A. (22.8 million euros) and Intesa Sanpaolo S.p.A. (7.2 million euros) through long-term convertible shareholder financing.

Industrial sector

In thousands of euros	*30.09.2010*	*in %*	*30.09.2009*	*in %*	*Change*	*in %*
Net revenues	1,176,301		1,173,149		3,152	0.3%
Operating earnings before depreciation and amortisation (EBITDA)	172,333	14.7%	172,107	14.7%	226	0.1%
Operating earnings (EBIT)	108,145	9.2%	103,123	8.8%	5,022	4.9%
Earnings before taxation	88,664	7.5%	79,507	6.8%	9,157	11.5%
Earnings for the period including non-controlling interest	46,726	4.0%	40,110	3.4%	6,616	16.5%
Group earnings for the period (consolidable)	25,750	2.2%	22,694	1.9%	3,056	13.5%
Net financial position	-342,936		-352,556		9,620	2.7%
Personnel (number)	7,587		7,588		-1	0.0%

During the first nine months of 2010 the **Piaggio group** has altogether sold 493,700 vehicles in the world, 324,300 of which in the Two-wheeler business and 169,400 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 (-11.4%) and in the motorbike segment (-10.4%).
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 which had started its operations on 24 June 2009.
The group's sales increased on the European market too (excluding Italy: +3.5%) 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. The units sold in Italy have been affected by the downturn in the overall market (equal to 19.8%).
The sales reduction in the area of the Americas is due to a drop in the USA market (-15.3%) and in the complete review of the distribution model on the Canadian market, where in the first quarter of 2010 the sales were temporarily suspended.
The Commercial Vehicles division closed the first nine months of 2010 with 169,400 units sold, an improvement of 18.8% compared to the same period in 2009, thanks to the expansion in the Indian market (+21.9%).

In the first nine months of 2010, the net revenues of the group totalled 1,176.3 million euros, a slight increase (+0.3%) compared to the same period of 2009. After analysing the 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 172.3 million euros (+0.2 million euros compared to the same period of 2009). As a percentage of net revenues, the EBITDA at 30 September 2010 is 14.7%, in line with the same period in 2009.
The operating income (EBIT) in the first nine months of the year 2010 is equal to 108.1 million euros, 5 million increase compared to 103.1 million euros of the same period in 2009. Profitability

(measured as operating income divided by net revenues) also increased: 9.2% against the 8.8% for the same period in 2009.
In the first nine months of 2010, Piaggio group recorded earnings before tax equal to 88.7 million euros (+9.2 million euros compared to the same period in 2009). This increase is mainly related to higher operating income and lower financial charges of the group.
Taxation for the period, in application of the IAS standards, is equal to 41.9 million euros (39.4 million euros in the first nine months 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 30 September 2010 totalled 46.7 million euros (40.1 million euros in the same period in 2009), of which 25.8 million euros represent the consolidable portion for Immsi Group.

The net financial debt at 30 September 2010 was 342.9 million euros compared to 352 million euros at 31 December 2009 and compared to 352.6 million euros at 30 September 2009.
During the first nine months of 2010, the generated financial resources were equal to 9 million euros. The operational cash flow, or net income plus amortisation, was 110.9 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 30.6 million euros at 30 September 2010, by investments in tangible and intangible fixed assets for 55.9 million euros and the purchase of treasury stocks for 3.3 million euros.
In particular, it is remembered that the seasonality of the 2-Wheeler business generally absorbs financial resources in the early part of the year and generates them in the later part.

Naval sector

In thousands of euros	*30.09.2010*	*in %*	*30.09.2009*	*in %*	*Change*	*in %*
Net revenues	71,405		87,061		-15,656	-18.0%
Operating earnings before depreciation and amortisation (EBITDA)	-5,749	-8.1%	-6,974	-8.0%	1,225	17.6%
Operating earnings (EBIT)	-8,237	-11.5%	-9,470	-10.9%	1,233	13.0%
Earnings before taxation	-10,827	-15.2%	-7,580	-8.7%	-3,247	-42.8%
Earnings for the period including non-controlling interest	-10,877	-15.2%	-8,242	-9.5%	-2,635	-32.0%
Group earnings for the period (consolidable)	-6,872	-9.6%	-5,214	-6.0%	-1,658	-31.8%
Net financial position	-123,942		-107,408		-16,534	-15.4%
Personnel (number)	371		406		-35	-8.6%

With reference to the economic data of the **Rodriquez Cantieri Navali group**, net revenues amount at 71.4 million euros at September 2010, a 18%, drop compared to 87.1 million euros at 30 September 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 9.3 million euros, and Intermarine's job-orders with 62,1 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 job order of the Fast Ferries division,

profits nevertheless from the use of the fund set aside in the 2009 financial statements to hedge finishing costs on the basis of the updated order estimates of the boats still under construction, while for the Yacht division, the production volumes of Conam have not allowed achieving positive marginality, mainly as a result of the costs of operation, amortization and financial burdens.
In light of the above, it is underlined that the portion of consolidable net earnings for the Immsi Group is equal to 6.9 million euros negative compared to 5.2 million euros negative at 30 September 2009.

At 30 September 2010, the overall order book stood at some 289.1 million euros and mainly includes the contract with the Italian Navy for a total value of 192.1 million euros related to the activity of modernizing eight Gaeta class minesweepers, signed during the previous year.

From a financial standpoint, the net financial debt of the Group, equal to 123.9 million euros at 30 September 2010, has increased compared to the balance at 31 December 2009, equal to 121.9 million euros. This approximately 2 million-euro increase is due chiefly to the absorption of resources in connection with the net cash flow generated by the group's management (about 31.4 million euros) and by net investments over the period (amounting to about 0.6 million euros): the cash thus absorbed more than offset the positive flow generated by the Rodriquez Cantieri Navali S.p.A. refinancing operation conducted by the parent company, RCN Finanziaria S.p.A., for a total value of 30 million euros. It is pointed out that this operation was deliberated in the month of May and was considered appropriate in order to equip the company with the necessary resources to rebalance its financial situation, as well as to cope with the losses suffered especially as a result of the two recent floods.

Events following 30 September 2010 and predictable evolution of management

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.
Besides, it is noted 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.

There have been no significant events since 30 September 2010 with reference to the other companies belonging to the property and holding sector.

With reference to the Piaggio group, it should be noted that 21 October 2010 saw the signing of a law by decree, which is due to enter into force on 3 November 2010, granting the 10 production sectors that had previously been beneficiaries a fund of 110 million euros left over from the previous program to sustain consumption.
It is also to be noted that Aprilia won the world Superbike Championship title on 3 October 2010, thus bringing its number of world championship wins up to 45, whereas Derbi won the world 125 cc class title on 17 October 2010, bringing its number of world championship wins up to 20.

With reference to the Rodriquez Cantieri Navali group, it is reported that the Boards of Directors and Extraordinary Meetings voted in October in favour of merging Conam S.p.A. and Rodriquez Marine System S.r.l., both 100% controlled, into Rodriquez Cantieri Navali S.p.A.. Once the periods laid down in the Italian civil code have passed, the merger will be concluded in the second half of December and registered to render the merger legally effective by or on 31 December 2010; the fiscal consequences of the merger will take effect retroactively from 1 January 2010. The operation sets out to simplify and streamline the Rodriguez group's entire chain of control, pursuing many advantages, both in economic, management and in organisational terms, such as – among others – more efficient administrative and economic management of the business and economic and financial flows of the companies concerned and the pursuit of greater operating synergies, with a view to cutting the group's structural costs.

Regarding the predictable evolution of the management, during the last quarter of 2010 – with particular reference to the industrial sector – the Piaggio group will continue its industrial and commercial growth strategy on key Asian markets – supported by the new group worldwide organization structure – 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 R&D will focus on the renewal of the group product ranges – scooters, motorcycles and commercial vehicles – with particular attention to development of energy-efficient engines with little or zero environmental impact.

For the naval sector, the Rodriquez Cantieri Navali group - in the current context of the international economic crisis - aims to grow significantly through the subsidiary Intermarine in both economic and financial terms.
For the Fast Ferries and Yacht sectors in which the group operates, during the last months of the year 2010 there are no forecasts for significant growth potential and the group will operate trying to minimize the costs and the use of the financial resources waiting for the desired market recovery, while strengthening its commercial activities.
In the light of the results achieved in the first nine months of 2010 as well as of the probable progress in current production during the remainder of the year, a reduction in the Value of the production of the group is predictable for 2010, compared to 2009, and results not yet abreast of the expectations of economic equilibrium.
For the remaining months of the year 2010, besides continuing the policy of containing and reducing its own operating costs, the group will focus all its necessary efforts on the completion and delivery of the 3 constructions for the Sultanate of Oman, having at the same time 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 and consolidating in parallel its commercial activities in the Fast Ferries and Yacht sectors trying to seize on every possible opportunity.

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 information for operating sectors presented below reflects the internal reporting utilised by management for taking strategic decisions. In this respect, as regards the individual 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	*Property and holding sector*	*Industrial sector*	*Naval sector*	*Immsi Group*
Net revenues to third parties	4,701	1,176,301	71,405	1,252,407
Net intercompany revenues				0
NET REVENUES	**4,701**	**1,176,301**	**71,405**	**1,252,407**
OPERATING EARNINGS	**-4,716**	**108,145**	**-8,237**	**95,192**
Earnings on equity investments	0	0	0	0
Financial income				19,331
Financial charges				44,747
EARNINGS BEFORE TAXATION				**69,776**
Taxation				41,408
EARNINGS AFTER TAXATION FROM CONTINUING ASSETS				**28,368**
Profit (loss) from assets for disposal or sale				0
EARNINGS FOR THE PERIOD INCLUDING NON-CONTROLLING INTEREST				**28,368**
Non-controlling interest earnings for the period				14,910
GROUP EARNINGS FOR THE PERIOD				**13,458**

Balance sheet

In thousands of euros	*Property and holding sector*	*Industrial sector*	*Naval sector*	*Immsi Group*
Segment assets	391,931	1,588,222	329,310	2,309,463
Equity investments in associated companies	0	229	22	251
TOTAL ASSETS	**391,931**	**1,588,451**	**329,332**	**2,309,714**
TOTAL LIABILITIES	**216,163**	**1,142,743**	**312,150**	**1,671,056**

Other information

In thousands of euros	*Property and holding sector*	*Industrial sector*	*Naval sector*	*Immsi Group*
Investments in tangible and intangible assets	**527**	**55,903**	**817**	**57,247**
Depreciation, amortisation and write-downs	**611**	**66,127**	**2,488**	**69,226**
Cash flow from operations	**-5,544**	**90,425**	**-31,530**	**53,351**
Cash flow from investments	**13,294**	**-72,320**	**-480**	**-59,506**
Cash flow from financing	**4,700**	**-82,041**	**30,152**	**-47,189**

Secondary sector: geographical areas

Income statement

In thousands of euros	*Italy*	*Rest of Europe*	*India*	*United States*	*Rest of the World*	*Immsi Group*
Net revenues to third parties	768,507	90,285	281,978	16,913	94,724	1,252,407
Net intercompany revenues						0
NET REVENUES	**768,507**	**90,285**	**281,978**	**16,913**	**94,724**	**1,252,407**

Balance sheet

In thousands of euros	*Italy*	*Rest of Europe*	*India*	*United States*	*Rest of the World*	*Immsi Group*
Segment assets	2,005,904	54,301	164,812	34,462	49,984	2,309,463
Equity investments in associated companies	203	3			45	251
TOTAL ASSETS	**2,006,107**	**54,304**	**164,812**	**34,462**	**50,029**	**2,309,714**

In thousands of euros	*Italy*	*Rest of Europe*	*India*	*United States*	*Rest of the World*	*Immsi Group*
Total receivables	**170,075**	**46,688**	**12,906**	**3,660**	**9,757**	**243,086**
Total payables	**501,749**	**52,800**	**68,609**	**1,085**	**6,840**	**631,083**

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	**41,539**	**666**	**12,357**	**0**	**2,685**	**57,247**
Depreciation, amortisation and write-downs	**60,626**	**1,651**	**3,723**	**431**	**2,795**	**69,226**

Group and Related Parties dealings

As regards the information to be provided on related party transactions in accordance with IAS 24 - *Related Parties 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 period to 30 September 2010.
It should be noted that, in compliance with the Regulations no. 17221 regarding Related Parties dealings issued by Consob on 12 March 2010 and subsequently amended by resolution no. 17389 of 23 June 2010, the Company endeavoured to adopt, within the legal terms, a new procedure aimed at regulating the approval practices for Related Party dealings.

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 30 September 2010. It should be pointed out that the effects on the income statement and on the balance sheet deriving from consolidated intragroup operations have been removed during consolidation.

Main income and balance sheet headings	Amounts in €/000	% incidence on balance sheet items	Description of the transactions
Transactions with Related Parties:			
Current trade payables	*433*	*0.1%*	*Legal assistance provided by St. d'Urso Gatti & Ass. to the Group*
Costs for services and the use of third party assets	*238*	*0.1%*	*Legal assistance provided by St. d'Urso Gatti & Ass. to the Group*
Transactions with Parent companies:			
Tangible assets	*37*	*0.0%*	*Furniture and fittings provided by Omniainvest S.p.A.*
Non-current financial liabilities	*2,900*	*0.8%*	*Bonded loan undersigned by Omniaholding S.p.A. in Piaggio & C. S.p.A.*
Costs for services and the use of third party assets	*202*	*0.1%*	*Rental of offices in Mantova provided by Omniaholding S.p.A. to the Group*
Transactions with Subsidiaries, Associated companies, Joint Ventures:			
Trade receivables and other non-current receivables	*459*	*2.7%*	*Receivables from Fondazione Piaggio and AWS do Brasil*
Current trade receivables and other receivables	*1,037* *1,325*	*0.3%* *0.4%*	*Receivables from Consorzio CTMI* *Trade receivables from Fondazione Piaggio and Piaggio Foshan*
Current financial liabilities	*92*	*0.0%*	*Financial payables to Rodriquez Engineering S.r.l.*
Current trade payables	*11,444* *35*	*2.2%* *0.0%*	*Trade payables mainly by Piaggio & C. S.p.A. to Piaggio China and Piaggio Foshan* *Payables to Armas Ocean Jets*
Other current payables	*28*	*0.0%*	*Payables to Fondazione Piaggio*
Net sales	*758*	*0.1%*	*Sales to Piaggio Foshan*
Costs for materials	*33,033*	*4.6%*	*Purchases by Piaggio & C. S.p.A. from Piaggio Foshan*
Costs for services and the use of third party assets	*174*	*0.1%*	*Costs for services rendered by Piaggio Foshan*
Other operating income	*1,286*	*1.3%*	*Income from Piaggio Foshan*
Financial charges	*104*	*0.2%*	*Charges to Piaggio Foshan*

The bank Intesa Sanpaolo S.p.A., minority shareholder of RCN Finanziaria S.p.A., has two convertible shareholder financing agreements in the company in which the investment is made for 6 million euros and 7.2 million euros undersigned respectively in September 2005 and May 2010.

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

Rodriquez Cantieri Navali S.p.A. has stipulated with Intesa Sanpaolo, in pool with Unicredit, 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 maximum 60 million US dollars and by the registration of mortgages on the assets under construction and obligations on the 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 relation to this order there are moreover contracts with this bank for the sale of US dollars with a fixed forward exchange rate for a total of 14.3 million US dollars.

The Rodriquez Group takes over net financial assets toward the Intesa Sanpaolo group for 0.9 million euros and bound deposits for 3.1 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, in April 2009 Immsi S.p.A. undersigned a commitment letter and an independent first-demand 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. It should be pointed out that in October 2010 Intermarine S.p.A. renegotiated such loan by undersigning a new agreement for overall 58.8 million euros, 3.8 million euros of which related to insurance indemnities, and 55 million euros as a revolving line. Immsi S.p.A. has also kept 35 million Piaggio shares in a bonded deposit account in favour of Intesa Sanpaolo and undersigned an independent first-demand guarantee for a maximum amount of 33.8 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 expiration at the end of December 2009 and renewed 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 Rodriquez Cantieri Navali S.p.A.. Immsi guaranteed such loan by depositing 75 million Piaggio securities.

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 30 September 2010.

Main income and balance sheet headings	Amounts in €/000	% incidence on balance sheet items	Description of the transactions
Transactions with Related Parties:			
Current trade payables	*113*	*5.9%*	*Legal advice provided by Studio d'Urso Gatti e Associati*
Costs for services and the use of third party assets	*117*	*2.8%*	*Legal advice provided by Studio d'Urso Gatti e Associati*

Transactions with Parent companies:			
Tangible assets	*37*	*6.3%*	*Furniture and fittings provided by Omniainvest S.p.A.*
Costs for services and the use of third party assets	*156*	*3.7%*	*Lease of offices in Mantova made available by Omniaholding S.p.A.*
Transactions with Subsidiaries:			
Tangible assets	*53*	*9.1%*	*Plants and fittings provided by Is Molas S.p.A.*
Other non-current financial assets and receivables	*38,104*	*32.3%*	*Loans granted to RCN Finanziaria S.p.A. and interest*
Current trade receivables and other receivables	*3,153*	*36.6%*	*Amounts due by the Rodriquez group for recharged costs, rental of offices in Roma, interest, fees and consultancy contract*
	1,882	*21.8%*	*Amounts due by Is Molas S.p.A. for service contract, interest and repayment of emoluments*
	1,472	*17.1%*	*Amounts due by RCN Finanziaria S.p.A. for interest*
	1,048	*12.2%*	*Amounts due by the Piaggio group for recharged costs, consultancy contract, repayment of emoluments and rental*
	154	*1.8%*	*Amounts due by ISM Investimenti S.p.A. for fees and interest*
	35	*0.4%*	*Amounts due by Pietra S.p.A. for interest*
Other current financial assets	*19,000*	*29.7%*	*Loans granted to Rodriquez Cantieri Navali S.p.A.*
	15,570	*24.3%*	*Loan granted to RCN Finanziaria S.p.A.*
	7,550	*11.8%*	*Loans granted to Is Molas S.p.A.*
	2,115	*3.3%*	*Loan granted to ISM Investimenti S.p.A.*
	2,000	*3.1%*	*Loan granted to Intermarine S.p.A.*
	430	*0.7%*	*Loan granted to Pietra S.r.l.*
Current financial liabilities	*180*	*0.2%*	*Interest-bearing deposit granted by Apuliae S.p.A.*
Other current payables	*6,198*	*69.9%*	*Payables from national tax consolidation agreement*
	150	*1.7%*	*Deferred income for service contract to Is Molas S.p.A.*
	49	*0.6%*	*Amount due to Piaggio & C. S.p.A. for recharged costs*
	10	*0.1%*	*Deferred income for service contract and lease to Rodriquez Cantieri Navali S.p.A.*
Financial income	*14,156*	*53.2%*	*Dividends from Piaggio & C. S.p.A.*
	836	*3.1%*	*Interest income from RCN Finanziaria S.p.A.*
	684	*2.6%*	*Interest income and guarantee fees from the Rodriquez group*
	132	*0.5%*	*Interest income from Is Molas S.p.A.*
	36	*0.1%*	*Interest income from ISM Investimenti S.p.A.*
Net revenues	*1,287*	*33.2%*	*Consultancy & Assistance contract and rental of offices in Roma and Milano rented to Piaggio & C. S.p.A.*
	450	*11.6%*	*Consultancy & Assistance contract with Is Molas S.p.A.*
	84	*2.2%*	*Consultancy & Assistance 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	*67*	*1.6%*	*Internal audit activity presented by Immsi Audit S.C.a R.L.*
	49	*1.2%*	*Recharges to be received by Piaggio & C. S.p.A.*
Other operating income	*31*	*25.4%*	*Repayment of emoluments by Piaggio & C. S.p.A.*
	31	*25.4%*	*Repayment of emoluments by Is Molas S.p.A.*

Figures including non-deductible VAT.

To integrate the above, it should be also noted that, regarding the job order for the construction of three minesweepers by Intermarine, 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. Such advanced payments 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 a total amount equal to 56.2 million euros that in July, following the approval of the first boat by the Finnish Navy, decreased to 52.4 million euros.

Immsi has lastly issued a letter of patronage in the interest of Intermarine S.p.A. in favour of Banca Carige in reference to the credit facilities granted, used at 30 September 2010 for 8.7 million euros, and two letters of patronage in the interest of Rodriquez Cantieri Navali S.p.A., one of which to Efibanca in reference to the guarantee issued by the bank to Como Srl for 2.7 million euros, and the other one to Monte dei Paschi di Siena to guarantee the credit line granted to the subsidiary for 2.6 million euros.