

PRESS RELEASE

IMMSI GROUP: BOARD APPROVES 2010 DRAFT FINANCIAL STATEMENTS

Net sales € 1,604.3 million (€ 1,614.2 million in 2009)

EBITDA € 183.7 million (€ 183.8 million in 2009)

EBITDA margin up to 11.5% (11.4% in 2009)

EBIT up to € 93.8 million (€ 83.4 million in 2009)

Profit before tax up to € 57.8 million (€ 50.9 million in 2009)

**Net profit € 9.8 million (€ 16.2 million in 2009)
after tax for € 35.4 million (€ 20.7 million in 2009)**

Parent company Immsi S.p.A.

**Net profit up to € 16.9 million (€ 14.5 million in 2009)
Proposed dividend of € 0.03 (€ 0.03 in 2009)**

Milan, 23 March 2011 – At a meeting today in Milan chaired by Roberto Colaninno, the Immsi S.p.A. Board of Directors examined and approved the 2010 draft financial statements to be presented to the shareholders' meeting.

Immsi Group **consolidated net sales** for financial year 2010 totalled 1,604.3 million euro, substantially in line with the 2009 figure of 1,614.2 million euro. The main contributors were the Piaggio Group with 1,485.4 million euro and the Rodriguez Cantieri Navali Group with 113.2 million euro.

EBITDA in 2010 was 183.7 million euro, in line with the 2009 figure (183.8 million euro), with an **EBITDA margin** up to **11.5%** (11.4% in 2009).

EBIT was 93.8 million euro, an improvement of 12.4% from 83.4 million euro in 2009. The EBIT margin rose to 5.8%, compared with 5.2% in 2009.

Immsi Group **profit before tax** amounted to 57.8 million euro at 31 December 2010, an increase of 13.6% from 50.9 million euro at 31 December 2009. The return on net sales rose to 3.6% (3.2% in 2009).

The increase in **tax** to 35.4 million euro in 2010 (from 20.7 million euro in 2009, with the **tax rate** rising to 61.2% compared with 40.6% in 2009) generated **net profit** for the Immsi Group of 9.8 million euro in 2010, compared with 16.2 million euro in 2009.

Net debt at 31 December 2010 amounted to 661.6 million euro, an increase of 23.7 million euro from 31 December 2009, arising chiefly from the year's net investments – 74 million euro – and from dividends paid to minorities by Immsi and Piaggio (10.2 and 11.6 million euro respectively), counterbalanced in part by cash flows on operations of 70.1 million euro.

Immsi Group total **shareholders' equity** at 31 December 2010 was 643.9 million euro, compared with 620.6 million euro at 31 December 2009.

Information on Immsi Group operations and management

The Immsi Group's results for financial year 2010 reflect differing trends among the Group core businesses: **industrial sector**, **naval**, **real estate**.

In the **industrial sector**, results at the **Piaggio Group** were substantially in line with 2009, despite the significant reduction in demand on the European two-wheeler market. Performance reflected the Group's strong growth on the Asian markets – in both the two-wheeler and the commercial vehicle businesses – as a result of a globalisation strategy in investments, production and sales and marketing undertaken with determination.

Piaggio Group consolidated net sales amounted to 1,485.4 million euro in 2010, compared with 1,486.9 million euro in 2009. In 2010 the Piaggio Group shipped a worldwide total of 628,400 vehicles (607,700 in 2009), of which 395,000 in the two-wheeler business and 233,400 in three- and four-wheel commercial vehicles.

Consolidated EBITDA was 197.1 million euro in 2010, compared with 200.8 million euro in 2009. Piaggio Group EBIT was better in 2010 than in 2009, with consolidated EBIT of 111.1 million euro, an increase of 6.7 million euro from 2009. Profit before tax rose in 2010 to 83.8 million euro, compared with 74.1 million euro in 2009. Piaggio Group consolidated net profit (including minority interests) was € 42.8 million euro, compared with 47.4 million euro in 2009, after a significant increase in tax, which totalled 41 million euro in 2010, compared with 26.7 million euro in 2009.

In the **naval sector**, where Immsi operates through the group controlled by **Rodriquez Cantieri Navali S.p.A.**, the order book at 31 December 2010 stood at approximately 273 million euro. The most significant component referred to the **Intermarine** division, specifically the contract with the Italian navy for the refitting of 8 Gaeta Class minehunters, the construction and logistics development program for Italy's Guardia di Finanza police corps and the construction of 3 mine counter measures vessels for the Finnish navy.

In 2010 the Rodriquez Cantieri Navali Group reported net sales of 113.2 million euro, a 6.9% downturn compared with 2009. The result was affected by the production delays at the Intermarine shipyard in Sarzana, after the Magra river caused flooding on two occasions, at the beginning and end of 2009.

In the **real estate sector**, with specific reference to the subsidiary **Is Molas S.p.A.** which operates a tourism, hotel and sport complex in Pula (Cagliari, Sardinia), 2010 net sales amounted to 3 million euro.

With regard to the **Pietra Ligure** real estate project (Pietra S.r.l.), during 2010 work continued to complete the bureaucratic procedures for the development of the site.

Significant events after 31 December 2010

With reference to the subsidiary **Is Molas S.p.A.**, the Environmental Impact Assessment procedure led to a positive environmental compatibility judgement on the project for the *"Completion of the Is Molas urban planning convention and related golf course"*. The administrative procedure was completed with Resolution no. 5/22 of 3 February 2011 issued by the Region of Sardinia.

Outlook for 2011

In the **industrial sector** the Piaggio Group will continue to focus on growth in Asia and consolidation on Western markets. In India, the Piaggio Group intends to consolidate its leadership position on the light commercial vehicle market. In the Asia Pacific area, it will boost its share of the scooter market in Vietnam, and expand operations in the rest of the area, with a specific focus on Indonesia, Thailand and Malaysia. In Europe and America its goal is to bolster its leadership in scooters, enhance its competitive positioning in motorcycles and increase sales

of light commercial vehicles. In production, the Piaggio Group plans to start up operations at the new engine factory in India, raise production capacity at the Vietnamese facility and build a new factory in India to produce two-wheelers for the local market.

In the **naval sector**, value of production is expected to rise and consolidated operating results to improve in 2011 with respect to 2010. The Rodriguez Cantieri Navali Group expects to reduce net financial exposure as a result of amounts to be collected on contract work in progress. The Group will continue with its restructuring and structural cost-cutting measures; at the same time, it will strengthen sales and marketing in the Yacht and Fast Ferries sector.

At the subsidiary **Is Molas**, 2011 will see the start-up of marketing of the project's residential units and construction of the tourism and hotel complex, consistently with market demand.

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IMMSI S.p.A.

The **parent company Immsi S.p.A.** reported a **net profit** for the year of 16.9 million euro, an increase of 16% from 14.5 million euro for the year to 31 December 2009.

Proposed dividend of 0.03 euro

The Board of Directors will ask the Immsi Shareholders' Meeting, to be held on 29 April 2011 on first call and on 10 May 2011 on second call, to approve payment of a **dividend of 0.03 euro per share** (identical to the dividend approved for financial year 2009), including the portion attributable to 2,670,000 own shares pursuant to art. 2357-ter of the Italian Civil Code, for an overall maximum amount of 10,215,900 euro. Shares will trade ex dividend from 23 May 2011, and the dividend will be paid on 26 May 2010.

Authorisation for the purchase and disposal of own shares

At today's meeting the Board of Directors agreed to ask the shareholders' meeting to authorise the purchase and disposal of own shares, given that the authorisation for transactions on own shares granted by the ordinary shareholders' meeting on 29 April 2009 expired on 29 October 2010. The request aims to provide the company with a useful strategic investment opportunity for the purposes allowed under current legislation, including the purposes envisaged by market practice allowed by Consob pursuant to art. 180, par 1, lett c) of the Consolidated Finance Act with resolution no. 16839 of 19 March 2009 and EC Regulation no. 22/2003 of 22 December 2003, and also for the purchase of own shares for subsequent cancellation.

Completion of the administration and control bodies

The shareholders' meeting will be asked to deliberate with regard to the appointment of a Director for the completion of the administration body pursuant to art. 2386, Italian Civil Code, and with regard to the completion of the Board of Statutory Auditors pursuant to art. 2401, Italian Civil Code.

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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.

Consistently with Recommendation CESR/05-178b on alternative performance indicators, this press release contains, in addition to the financial measures contemplated by the IFRS, a number of measures based on such financial measures that are not envisaged by the IFRS ("Non-GAAP Measures"). The non-GAAP measures are provided to assist a better assessment of Group business performance and should not be regarded as alternatives to the financial measures contemplated by the IFRS. Since the methods used to determine the non-GAAP measures are not expressly regulated by the generally accepted accounting principles, they may differ to measures adopted by others and therefore may not be fully comparable to those adopted by others. Specifically, the following alternative performance indicators have been used:

- EBITDA: defined as earnings before depreciation and amortisation;
- Net debt: gross financial debt less cash and cash equivalents, and other current financial receivables.

The consolidated income statement and consolidated balance sheet for the Immsi Group and the income statement and balance sheet for Immsi S.p.A. are set out below. At the time of publication of this press release, the audit of the Immsi Group consolidated financial statements and the Immsi S.p.A. separate financial statements as at and for the year to 31 December 2010 had not been completed.

For more information:

Immsi Group Press Office

Roberto M. Zerbi

Via Broletto, 13

20121 Milan – Italy

+39 02 02.319612.15/16/17/18

ufficiostampa@immsi.it / press@piaggio.com

www.immsi.it

IMMSI GROUP CONSOLIDATED INCOME STATEMENT FOR THE YEAR TO 31 DECEMBER 2010

Amounts in thousands of euro

	2010	2009
Net sales	1,604,318	1,614,235
- of which vs related parties	711	7
Cost of materials	935,393	933,661
- of which vs related parties	40,582	38,800
Cost of services and use of third-party assets	308,808	325,878
- of which vs related parties	1,229	964
Employee expenses	260,045	263,118
Depreciation tangible assets	39,509	40,890
Goodwill amortisation	0	0
Amortisation intangible assets with finite life	50,465	59,525
Other operating income	136,458	151,064
- of which vs related parties	3,161	1,407
Other operating expense	52,785	58,795
EBIT	93,771	83,432
Share of result of associates	5,240	(151)
Finance income	24,363	24,312
Finance costs	65,591	56,728
- of which vs related parties	144	161
PROFIT BEFORE TAX	57,783	50,865
Income tax expense	35,361	20,675
NET PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	22,422	30,190
Profit (loss) from discontinued operations	0	0
NET PROFIT FOR THE PERIOD INCLUDING MINORITY INTERESTS	22,422	30,190
Net profit for the period attributable to minorities	12,606	13,980
GROUP NET PROFIT FOR THE PERIOD	9,816	16,210

EARNINGS PER SHARE:

In euro

From continuing and discontinued operations:	2010	2009
Basic earnings	0.029	0.048
Diluted earnings	0.029	0.048
From continuing operations:	2010	2009
Basic earnings	0.029	0.048
Diluted earnings	0.029	0.048
Average number of shares:	340,530,000	340,530,000

IMMSI GROUP CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2010

Amounts in thousands of euro

ASSETS	31 December 2010	31 December 2009
NON-CURRENT ASSETS		
Intangible assets	831,386	820,265
Property, plant and equipment	302,010	298,375
- of which vs related parties	34	48
Investment property	73,262	72,637
Equity investments	206	251
Other financial assets	80,165	80,165
Tax receivables	3,969	8,717
Deferred tax assets	76,000	68,719
Trade and other receivables	15,741	16,702
- of which vs related parties	443	468
TOTAL NON-CURRENT ASSETS	1,382,739	1,365,831
ASSETS ON DISCONTINUED OPERATIONS	22,136	21,909
CURRENT ASSETS		
Trade and other receivables	319,146	276,885
- of which vs related parties	3,458	1,810
Tax receivables	48,339	27,598
Inventories	310,275	324,150
Other financial assets	37,661	26,240
Cash and cash equivalents	190,604	206,508
TOTAL CURRENT ASSETS	906,025	861,381
TOTAL ASSETS	2,310,900	2,249,121
LIABILITIES	31 December 2010	31 December 2009
SHAREHOLDERS' EQUITY		
Group consolidated shareholders' equity	422,793	417,597
Capital and reserves attributable to minorities	221,127	203,012
TOTAL SHAREHOLDERS' EQUITY	643,920	620,609
NON-CURRENT LIABILITIES		
Financial liabilities	476,165	484,207
- of which vs related parties	2,900	16,000
Trade and other payables	5,977	8,677
Provisions for severance liabilities and similar obligations	63,254	66,802
Other non-current provisions	19,789	35,772
Deferred liabilities	53,935	51,796
TOTAL NON-CURRENT LIABILITIES	619,120	647,254
LIABILITIES ON DISCONTINUED OPERATIONS	0	0
CURRENT LIABILITIES		
Financial liabilities	399,357	364,719
- of which vs related parties	92	90
Trade payables	505,464	471,570
- of which vs related parties	12,665	13,512
Income tax liabilities	24,272	20,749
Other payables	89,981	102,587
- of which vs related parties	30	28
Current portion of other non-current provisions	28,786	21,633
TOTAL CURRENT LIABILITIES	1,047,860	981,258
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,310,900	2,249,121

IMMSI S.P.A. INCOME STATEMENT FOR THE YEAR TO 31 DECEMBER 2010

Amounts in thousands of euro

	2010	2009
Finance income	32,962	19,775
- of which vs related parties and intragroup	16,597	14,825
Finance costs	(14,443)	(4,654)
- of which vs related parties and intragroup	(2)	(10)
Results of associates	0	0
Operating income	4,758	4,628
- of which vs related parties and intragroup	2,033	2,039
Cost of materials	(45)	(49)
Cost of services and use of third-party assets	(4,871)	(4,149)
- of which vs related parties and intragroup	(527)	(478)
Employee expenses	(1,389)	(1,269)
Depreciation tangible assets	(167)	(148)
Goodwill amortisation	0	0
Amortisation intangible assets with finite life	(4)	0
Other operating income	188	398
- of which vs related parties and intragroup	110	146
Other operating expense	(288)	(466)
PROFIT BEFORE TAX	16,700	14,066
Income tax	157	463
NET PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	16,858	14,529
Profit (loss) from discontinued operations	0	0
NET PROFIT FOR THE PERIOD	16,858	14,529

EARNINGS PER SHARE:

In euro

	2010	2009
Basic earnings per share	0.0495	0.0427
Diluted earnings per share	0.0495	0.0427

IMMSI S.p.A. BALANCE SHEET AS AT 31 DECEMBER 2010

Amounts in thousands of euro

ASSETS	31/12/2010	31/12/2009
NON-CURRENT ASSETS		
Intangible assets	9	0
Property, plant and equipment	548	607
- of which vs related parties and intragroup	71	108
Investment property	73,263	72,638
Equity investments	353,975	376,985
Other financial assets	115,241	92,000
- of which vs related parties and intragroup	35,241	12,000
Tax receivables	2,922	3,632
Deferred tax assets	0	0
Trade and other receivables	3,645	2,780
- of which vs related parties and intragroup	3,450	2,775
TOTAL NON-CURRENT ASSETS	549,603	548,641
ASSETS ON DISCONTINUED OPERATIONS	0	0
CURRENT ASSETS		
Trade and other receivables	8,436	6,132
- of which vs related parties and intragroup	7,986	5,510
Tax receivables	813	222
Other financial assets	63,103	64,278
- of which vs related parties and intragroup	48,715	42,500
Cash and cash equivalents	32,573	1,463
TOTAL CURRENT ASSETS	104,925	72,095
TOTAL ASSETS	654,528	620,736
LIABILITIES	31/12/2010	31/12/2009
NET SHAREHOLDERS' EQUITY		
Share capital	177,076	177,076
Reserves and retained earnings	260,293	263,080
Net profit for the period	16,858	14,529
TOTAL SHAREHOLDERS' EQUITY	454,227	454,684
NON-CURRENT LIABILITIES		
Financial liabilities	68,550	11,000
Trade and other payables	0	0
Provisions for severance liabilities and similar obligations	273	227
Other non-current provisions	0	0
Deferred tax	20,102	20,509
TOTAL NON-CURRENT LIABILITIES	88,925	31,736
LIABILITIES ON DISCONTINUED OPERATIONS	0	0
CURRENT LIABILITIES		
Financial liabilities	101,846	125,171
- of which vs related parties and intragroup	0	180
Trade payables	1,820	1,584
- of which vs related parties and intragroup	233	402
Income tax liabilities	296	376
Other payables	7,413	7,186
- of which vs related parties and intragroup	6,733	6,340
Current portion of other non-current provisions	0	0
TOTAL CURRENT LIABILITIES	111,376	134,316
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	654,528	620,736