

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

Half-yearly Financial Report of Immsi Group at 30 June 2011

This Half-yearly Financial Report is a translation provided only for the convenience of foreign readers

The Italian version will prevail

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COMPANY BOARDS

The Board of Directors and the Board of Statutory Auditors of Immsi S.p.A. were appointed by a shareholder resolution on 29 April 2009 and their term in office expires on the date of the Shareholders' Meeting called to approve the financial statements for the year ending at 31 December 2011.

BOARD OF DIRECTORS

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

BOARD OF STATUTORY AUDITORS

Alessandro Lai	Chairman
Leonardo Losi	Standing Auditor
Gianmarco Losi ⁽²⁾	Standing Auditor
Mariapaola Losi	Substitute Auditor
Elena Fornara ⁽²⁾	Substitute Auditor

INDEPENDENT AUDITORS

Deloitte & Touche S.p.A.	2006 - 2011
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GENERAL MANAGER

Michele Colaninno

(1) Director appointed upon the Board's resolution on 10 May 2011.

(2) Auditors appointed upon the Board's resolution on 10 May 2011.

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:

REMUNERATION COMMITTEE

Carlo d'Urso	Chairman
Mauro Gambaro	
Giorgio Cirila	

INTERNAL AUDIT COMMITTEE

Giovanni Sala	Chairman
Mauro Gambaro	
Giorgio Cirila	

COMMITTEE FOR THE APPROVAL OF RELATED PARTY DEALINGS

Giovanni Sala	Chairman
Mauro Gambaro	
Giorgio Cirila	

SUPERVISORY BOARD

Marco Reboa	Chairman
Alessandro Lai	
Maurizio Strozzi	

LEAD INDEPENDENT DIRECTOR

Mauro Gambaro

DIRECTOR APPOINTED

Michele Colaninno

PERSON IN CHARGE OF THE INTERNAL AUDIT

Maurizio Strozzi

MANAGER IN CHARGE OF PREPARING THE COMPANY ACCOUNTS AND DOCUMENTS

Andrea Paroli

INVESTOR RELATOR

Andrea Paroli

Interim management report of the Immsi Group

The Half-yearly Financial Report for the six months ended at 30 June 2011 has been prepared in accordance with Ital.Legisl.Decree 58/1998, as amended, and the Issuer Regulations issued by Consob.

This Half-yearly Financial Report also conforms with the requirements of the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") adopted by the European Union and has been prepared in accordance with IAS 34 – Interim Financial Reporting. The accounting principles applied are consistent with those used for preparation of the Consolidated Financial Statements at 31 December 2010, except as otherwise stated under paragraph "Accounting principles, amendments and interpretations adopted from 1 January 2011" contained in the subsequent Explanatory Notes.

Information on operations

In the first six months of 2011 the Immsi Group has achieved altogether positive operational results even against a highly uncertain reference macroeconomic situation, particularly on the domestic market. The above results present different trends as regards the various sectors that make up the Group as a consequence of the different business dynamics that characterized the period in question and due to the different impact of seasonality.

Some of the main income and balance sheet figures of the Immsi Group are presented below, divided by business sector and determined, as already stated, in accordance with the international accounting standards. A more detailed description of the figures below may be found later on in this document.

Immsi Group at 30 June 2011

	<i>Property and holding sector</i>	<i>in %</i>	<i>Industrial sector</i>	<i>in %</i>	<i>Naval sector</i>	<i>in %</i>	<i>Immsi Group</i>	<i>in %</i>
In thousands of euros								
Net revenues	2,222		830,012		46,446		878,680	
Operating earnings before depreciation and amortisation (EBITDA)	-2,187	-98.4%	120,317	14.5%	-4,904	-10.6%	113,226	12.9%
Operating earnings (EBIT)	-2,517	-113.3%	74,955	9.0%	-6,354	-13.7%	66,084	7.5%
Earnings before taxation	-6,141	-276.4%	61,823	7.4%	-8,512	-18.3%	47,170	5.4%
Earnings for the period including non-controlling interest	-6,008	-270.4%	33,323	4.0%	-8,612	-18.5%	18,703	2.1%
Group earnings for the period (consolidable)	-4,238	-190.7%	17,894	2.2%	-5,441	-11.7%	8,215	0.9%
Net financial position	-177,537		-332,092		-165,686		-675,315	
Personnel (number)	95		7,954		332		8,381	

The "property and holding sector" consolidates the balance sheet and income results 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..

Hereunder we give the same table referring to the first half of the preceding year. A comparison between the two periods is made in the specific comment related to the single business sectors

presented further on.

Immsi Group at 30 June 2010

In thousands of euros	<i>Property and holding sector</i>	<i>in %</i>	<i>Industrial sector</i>	<i>in %</i>	<i>Naval sector</i>	<i>in %</i>	<i>Immsi Group</i>	<i>in %</i>
Net revenues	2,712		820,819		46,003		869,534	
Operating earnings before depreciation and amortisation (EBITDA)	-3,154	-116.3%	117,528	14.3%	-3,244	-7.1%	111,130	12.8%
Operating earnings (EBIT)	-3,534	-130.3%	74,577	9.1%	-4,941	-10.7%	66,102	7.6%
Earnings before taxation	-5,083	-187.4%	62,771	7.6%	-6,733	-14.6%	50,955	5.9%
Earnings for the period including non-controlling interest	-4,809	-177.3%	33,080	4.0%	-7,005	-15.2%	21,266	2.4%
Group earnings for the period (consolidable)	-3,404	-125.5%	18,195	2.2%	-4,426	-9.6%	10,365	1.2%
Net financial position	-178,552		-341,656		-116,062		-636,270	
Personnel (number)	93		7,741		373		8,207	

The "property and holding sector" consolidates the balance sheet and income results of Immsi S.p.A., Immsi Audit S.c.a.r.l., ISM Investimenti S.p.A., Is Molas S.p.A., Apuliae S.p.A., Pietra S.r.l. and RCN Finanziaria S.p.A..

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

Alternative Non-GAAP Performance Measures

In accordance with the CESR/05-178b recommendation on alternative performance measures, this Half-Yearly Financial Report contains some measures that, albeit not laid down in the IFRS ("Non-GAAP Measures"), derived from IFRS financial measures.

These measures are presented in order to measure the trend of the Group's operations to a better extent and should not be considered as an alternative to IFRS measures and are homogeneous with those included in the Annual Reports and in the Interim Management Reports of the Immsi Group. It should, furthermore, be borne in mind that the methods for calculating the measures applied therein might not be homogeneous with those adopted by others, as they are not specifically governed by the reference accounting standards, with the result that said measures might not prove sufficiently comparable.

In particular the following alternative performance measures have been used:

- **EBITDA:** defined as operating earnings gross of amortisation and depreciation;
- **Net financial debt:** represented by (current and non-current) financial liabilities, minus cash on hand and other cash and cash equivalents, as well as other financial receivables. Among the schedules contained in this Report, a table detailing the composition of this indicator is also included.

The property and holding sector

In thousands of euros	30.06.2011	in %	30.06.2010	in %	Change	in %
Net revenues	2,222		2,712		-490	-18.1%
Operating earnings before depreciation and amortisation (EBITDA)	-2,187	-98.4%	-3,154	-116.3%	967	30.7%
Operating earnings (EBIT)	-2,517	-113.3%	-3,534	-130.3%	1,017	28.8%
Earnings before taxation	-6,141	-276.4%	-5,083	-187.4%	-1,058	-20.8%
Earnings for the period including non-controlling interest	-6,008	-270.4%	-4,809	-177.3%	-1,199	-24.9%
Group earnings for the period (consolidable)	-4,238	-190.7%	-3,404	-125.5%	-834	-24.5%
Net financial position	-177,537		-178,552		1,015	0.6%
Personnel (number)	95		93		2	2.2%

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.** records (gross of the intragroup annulments) a positive net result for the period equal to 12.8 million euros, compared to 22.9 million euros at 30 June 2010, mainly due to the lesser positive financial income components achieved in the first half of 2011 compared to the same period of the previous financial year. In the early months of 2010 the Parent Company cashed in 0.9 million euros from the sale of Unicredit option rights, assigned against the capital increase to which Immsi did not adhere, and 22.1 million euros from the sale to Banca IMI of 10 million Piaggio shares with the realisation of a gain, gross of the relative fiscal effect, equal to approximately 9.6 million euros.

The dividends distributed in the month of May 2011 by the subsidiary Piaggio & C. S.p.A. and collected by Immsi S.p.A. amount to 13.8 million euros compared to 14.2 million in the first half of 2010, as a consequence of a decrease in the number of shares held (from around 202.2 million at the end of May 2010, the dividend payment date, to around 197.2 million at the time of payment at the end of May 2011) with the coupon unchanged at €0.07 euro per share.

In the month of May 2011, the Company moreover collected approximately 279 thousand euros related to dividends referred to approximately 9.3 million Unicredit shares held in its portfolio, with a coupon equal to €0.03 euros per share.

With reference to the non-financial components of income, it should be noted that the net revenues accomplished in the first half of 2011 deriving from the real-estate operations and services amount to 2.4 million euros, basically unchanged compared to the same period in the preceding year.

The net financial debt at 30 June 2011 is 52.6 million euros, slightly less (approximately 1.3 million euros) than the figure at 31 December 2010. The improvement highlighted during the first half of 2011 is mainly due to the collections related to the dividends distributed by Piaggio & C. S.p.A. and by Unicredit respectively equal to 13.8 million euros and 279 thousand 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 equivalent value of 10.2 million euros as well as the cash absorption linked to the operating management of the Company equal to about 2.6 million euros.

Regarding the initiatives in the property sector, and particularly with reference to the subsidiary **Is Molas S.p.A.**, which manages a tourist, hotel and sports resort at Pula (Cagliari, Sardinia), the net revenues accomplished in the first half of 2011, equal to 0.8 million euros, are down on the corresponding period of the preceding year by approximately 0.5 million euros (they amounted to 1.3 million euros in June 2010): this negative variation is to be attributed in particular to the closing down of the hotel structure that, during 2011, continued until the end of March. Is Molas S.p.A. recorded in the first half of 2011 a negative operating result equal to 2.3 million euros (-2.2 million in the corresponding period in the preceding year) and a net consolidable loss for the Immsi Group equal to 1.5 million euros (-1.3 in the corresponding period of the previous year). The company's net financial position shows net indebtedness equal to 36 million euros, with a cash absorption of 2 million euros compared to 31 December 2010 in relation to the negative contribution of the cash generated internally.

As already illustrated in the Directors' Report on Operations of the Immsi Group at 31 December 2010, the administrative procedure of *Valutazione di Impatto Ambientale - V.I.A.* (Environmental Impact Evaluation) regarding the "Completion of the Is Molas Land Parcelling and Golf Course" project was brought positively to an end and the project was approved with resolution no.5/22 of 3 February 2011 issued by the Autonomous Region of Sardinia Regional Government and which was published on the region's site on 4 February 2011. Said resolution was published on B.U.R.A.S. (*Bollettino Ufficiale della Regione Autonoma Sardegna* – Official Gazette of the Region of Sardinia) on 28 April 2011. At the same time, Is Molas S.p.A. has drawn up all the documentation required to issue the Building Licences regarding a first stage of urbanization works and a first lot of 15 villas: documentation was handed over to the Municipality of Pula on 19 April 2011. On 7 June 2011 and on 14 June 2011 the Conferences of Services were summoned to the Pula municipality, respectively for town planning works and for the first lot of villas. Investigations were requested here, for which the company produced relative documentation, which enabled the conclusive summons of the Conference of Services for 8 September next.

With reference to the **Pietra Ligure Project**, we point out that work linked to site transformation has continued with the verification of all documentation useful for finalising the procedure for "V.A.S.-*Valutazione Ambientale Strategica*" (Strategic Environmental Evaluation), that was concluded positively in June 2011. At the same time, re-examination of the project arising from the observations of the Supervisor and the new Town-planning Councillor was subjected to a new unofficial examination by all the competent regional offices, as well as by the commander of the port authority of Savona. All the offices have taken part in the project that was then approved in the subsequent Conference of Services deliberating in conformity with art. 5 of the Burlando decree dated 9 August. Having agreed on the project contents, work was done on drawing up the town planning convention of the municipality of Pietra Ligure, as well as the text of the future maritime state-owned concession. In fact issuing this concession will be delegated to a future deliberating Conference of Services in conformity with art. 6, during which the project shall be approved, definitive as per law 109/94.

With reference to the subsidiary **Apuliae S.p.A.** there is no further updating compared to the Report of the Directors and Financial Statements of Immsi Group at 31 December 2010, which reference is made to herein.

Overall, the property and holding 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 half of 2011 a consolidable negative net result equal to 4.2 million euros (negative result equal to 3.4 million at 30 June 2010) and a negative net financial position equal to 177.5 million euros (compared to 178.6 million at 30 June 2010). The increase in the consolidable loss basically leads back to the increment of the balance deficit of financial management (going from a negative 1.5 million euros at 30 June 2010 to a negative 3.6 million euros at 30 June 2011) mainly following the lack of income relative to the sale of Unicredit option rights by the parent company Immsi S.p.A. (for

approximately 0.9 million euros) as well as for the increased financing costs with interests indexed to the Euribor.

The variation of the net financial position compared to 30 June 2010 (reduction of the net financial debt of approximately 1 million euros) leads back substantially to the indebtedness of the Parent Company Immsi S.p.A. of approximately 9.7 million euros (linked mainly to the receipt of 12.2 million euros deriving from the transfer of 5 million Piaggio & C. S.p.A. shares to Banca IMI in November 2010) net of cash absorption linked to the operating management of the other companies belonging to the sector under examination.

The industrial sector: Piaggio group

In thousands of euros	30.06.2011	in %	30.06.2010	in %	Change	in %
Net revenues	830,012		820,819		9,193	1.1%
Operating earnings before depreciation and amortisation (EBITDA)	120,317	14.5%	117,528	14.3%	2,789	2.4%
Operating earnings (EBIT)	74,955	9.0%	74,577	9.1%	378	0.5%
Earnings before taxation	61,823	7.4%	62,771	7.6%	-948	-1.5%
Earnings for the period including non-controlling interest	33,323	4.0%	33,080	4.0%	243	0.7%
Group earnings for the period (consolidable)	17,894	2.2%	18,195	2.2%	-301	-1.7%
Net financial position	-332,092		-341,656		9,564	2.8%
Personnel (number)	7,954		7,741		213	2.8%

Regarding the **industrial sector**, during the first half of 2011, the Piaggio group sold 346,500 vehicles worldwide, registering a growth of approximately 1.7% in volume over the same period of the previous year when 340,800 vehicles were sold.

This increase is the result of different business trends in the Two-wheeler and Commercial vehicles segments. The Two-wheeler segment was affected by a downturn compared to the first half of 2010, with the total number of vehicles sold equal to 227,700 (-2.2%), while the Commercial vehicles segment performed extremely well compared to the first half of the previous year (118,800 units, +9.9%).

The performance of the Two-wheeler segment took place in a particularly complex market context and competitive scenario, at least as concerns the European and American markets. In particular, the EMEA two-wheeler market declined by approximately 7% (-8% for scooters and - 6% for motorcycles), while the US market registered an increase of approximately 1% (+28% for scooters). Within the EMEA area, the Piaggio group's share was 27.3%, in line with the previous year, while in the US its share registered a growth on the scooter market (from 24.4% to 24.6%). In Asia, the Group's performance was positive (37,200 units sold, +25.7% compared to the first half of 2010), based in particular on the success of the Vietnamese subsidiary.

The Commercial Vehicles business performed particularly well on the Indian market, where the subsidiary Piaggio Vehicles Private Limited sold more than 111,400 units and increased its excellent sales figure of the previous half year by 11%.

In terms of consolidated turnover, the group ended the first half of 2011 with increased net revenues compared to the first half of 2010, equal to 830 million euro (+1.1%). In particular, the Two-wheeler segment was affected by a downturn compared to the first six months of 2010 with a total turnover of 578.7 million euro (-0.6%), while the Commercial vehicles business performed excellently, with a turnover of approximately 251.3 million euro (+12.5 million euro, +5.2%). Consequently, the turnover composition changed considerably compared to 2010; in particular, sales in the Two-wheeler segment fell from 70.9% of total turnover in the first half of 2010 to 69.7% of total turnover in the first half of 2011; whereas, the same parameter in the Commercial Vehicles segment rose from 29.1% in the first half of 2010 to 30.3% in the first half of 2011. Turnover from the Two-wheeler segment basically reflects the trend for volumes: the EMEA market registered a drop in turnover due to the aforesaid market downturn. The increase in turnover in the North American

and Asian markets was less than the corresponding growth in sales due to a different mix of sold products.

In terms of the trend on Commercial Vehicles business turnover, the excellent performance achieved by the subsidiary Piaggio Vehicles Private Limited in terms of units sold (+11% compared to the first half of 2010) generated a corresponding increase in turnover. The drop in turnover registered on the European market was greater than the decline in sales due to the greater weight of three wheelers on total sales.

The operating earnings before depreciation and amortisation (EBITDA) in the first half of 2011 totals 120.3 million euros, equal to 14.5% of net revenues, an increase of 2.4% compared to 117.5 million euros, equal to 14.3% of net revenues during the first half of the previous year.

Operating income (EBIT) in the first half of 2011 totals 75 million euros compared to 74.6 million euros of the same period in 2010 (+0.4 million euros, or +0.5%), with depreciation for 45.4 million euros (a 2.4 million euros increase, or +5.6% compared to the same period of the previous year).

In the first half of 2011 the earnings before taxes of the Piaggio group are positive for 61.8 million euros (-1.5% compared to the first half of 2010) and the earnings for the period including non-controlling interest is equal to 33.3 million euros (+0.7% compared to the first half of 2010). Total tax for the period – in pursuance of the IAS standards on the basis of the average expected tax rate for the entire financial year – amounts to 28.5 million euros (29.7 million euros at 30 June 2010).

Net financial debt of the group as of 30 June 2011 was 332.1 million euros compared to 349.9 million euros as of 31 December 2010 and compared to 341.7 million euros at 30 June 2010. The improvement of 17.8 million euros compared to 31 December 2010 is mainly due to the positive trend of operating cash flow as well as good management of net circulating capital, which allowed self-financing of investments along with the distribution of dividends in the amount of 25.7 million euros.

The market scenario

Two-Wheeler Business

In the first half of 2011, the world market for motorised two-wheelers exceeded 25 million vehicles sold, a 4% increase compared to the same period in 2010.

This strong growth trend is mainly due to the Indian market, with 6.3 million vehicles sold and an 18.2% increase compared to the previous year, becoming the country with the highest growth rate in percentage terms in the first six months of 2011. China is still the world's leading market with more than 8 million vehicles sold, but sales dropped by more than 9% compared to 2010. The Asian area, known as Asean 5, also made a major contribution to growth on the world market, registering an increase of +10.2% (over 7 million units sold). Indonesia ranked top in this area, with a growth rate of 13% and sales volumes topping 4 million units, to account for 55% of sales in South East Asia. Vietnam consolidated its position as second market in the area, with nearly 1.5 million units sold (+16%) followed by Thailand with 900 thousand units sold (-2.6%), while the last two Asean 5 countries, the Philippines and Malaysia, increased sales volumes by +1.6% and +1% respectively. In other Asian countries, the development of the Taiwanese market was important, with an 18% growth in the first six months of 2011, bringing total sales to more than 280 thousand unit.

The North American two-wheeler market continued to be affected by the world crisis. However, during the first half of 2011, this decline was extremely limited compared to 2010 (-1%) with approximately 290 thousand units sold. Sales in the United States, which account for approximately 90% of the entire area, increased by 1% with approximately 257 thousand units sold. The growth trend in Latin America continued in the first half of 2011 (+8%) mainly due to increased sales in Brazil (the area's reference market), with more than 1 million units sold, equal to an increase of 18% compared to the first half of 2010.

Europe, the main reference area for the Piaggio Group, continued to be negatively affected by the global economic recession and reported a decrease in sales of 7% compared to the first half of 2010, which affected the scooter (-8%) and motorcycle (-6%) segments. Both the over 50cc (-7%) and 50cc (-6%) sectors reported sales decreases. In particular, in the over 50cc segment, scooter sales decreased by 9%, while motorcycle sales fell by 6%. In the 50cc segment, scooter sales dropped by 6% and motorcycle sales by 5%.

The scooter market

Italy

The Italian scooter market closed the first half of 2011 with 144 thousand vehicles registered, accounting for a decrease of 18% compared to the 176 thousand vehicles of the same period in 2010. The decrease concerned both the 50cc segment (-18% with 36 thousand units sold) and over 50cc segment, with 108 thousand units sold, equal to a 19% decrease compared to the first half of the previous year.

Europe

In the first half of 2011, sales on the scooter market in Europe fell by 8%, from 569 thousand units in the first half of 2010 to 525 thousand in the first half of 2011. The 50cc scooter segment performed badly, with a 6% decrease in sales, and the number of vehicles sold falling from 272 thousand units in the first half of 2010 to 256 thousand units in 2011. The over 50cc scooter segment was affected to a greater extent, with a 9% decrease in sales and the number of vehicles sold accounting for 270 thousand units compared to 296 thousand in the same period in 2010. Italy is still the most important market in Europe, with 144 thousand units sold, followed by France with 99 thousand units and Germany with 57 thousand units. Spain ranked fourth with 48 thousand vehicles, while the United Kingdom ended the period with 16 thousand units sold. The French market grew by 3% compared to the previous year, from 97 thousand to 99 thousand units. This increase was driven by the 50cc scooter segment, with sales increasing by 12%, while sales in the over 50cc segment fell by 8%. The German market was affected by a downturn (-5%) with approximately 57 thousand units sold in the first half of 2011. This negative trend was due to the 50cc scooter segment, which fell by 11%, while the Over 50cc scooter segment grew by 7%. The Spanish market was hit by a considerable decrease of 11%, with 48 thousand vehicles sold. This poor performance was caused above all by the sharp drop in the 50cc scooter segment (-30%), while the downturn in the over 50cc segment was less accentuated (-5%). The British market grew by 17% compared to the same period in 2010, with just under 16 thousand vehicles sold. Both the 50cc (+7%) and over 50cc (+25%) segments improved.

North America

Sales on the North American scooter market increased in the first half of 2011 (+20%) totalling 21 thousand units. Sales in the United States (which accounts for 85% of the reference area) picked up considerably (+28%), to stand at 18 thousand units. The over 50cc scooter segment performed best (+52%), while the number of vehicles sold in the 50cc scooter segment also increased (+3%).

South America

Brazil continues to remain the area of greatest importance including for the scooter market reaching 234,000 units in the first six months, for a growth of 35.5% compared to the first half of 2010. Sales of scooters amounted to 204,500 Cub scooters (scooters with gears) (up +33% over the first half of 2010) and 29,300 automatic scooters (up +55% compared to the same period of the previous year). In the automatic scooter segment, models up to 125cc ranked top with around 25,000 units sold (+40% compared to the first six months of 2010), while models over 125cc rose from 1,000 in the first half of 2010 to 4,300 in the same period of 2011.

Vietnam

The Vietnamese market mainly concerns scooters, as sales in the motorcycle segment are not particularly significant. The two main product segments are Cub scooters (924 thousand units in the first half of 2011, +14% over 2010) and automatic scooters (356 thousand units, up 16% over 2010). The 50cc scooter segment is not operative on this market. In the Cub segment, 51cc to 115 cc models were the best performers, with approximately 830 thousand units sold, accounting for 90% of the entire segment. In the automatic scooter segment, 115cc-125cc models ranked top (56.3%), with 102 thousand sold in the first half of 2011, and a two-fold increase in sales over 2010. The 51cc-115cc segment decreased by 6.5%, while sales in the over 125 cc segment went up from 1,520 units to approximately 2,800.

The motorcycle market

Italy

In the first half of 2011, the motorcycle market (including 50cc motorcycles) in Italy fell by 10%, from 66 thousand units in the first half of 2010 to 59 thousand units. This performance is mainly due to the downturn in the 51cc-125cc motorcycle subsegment (down by 13%, with sales of 4 thousand units) and the 126-750cc motorcycle subsegment (down by 23%, with sales of 20 thousand vehicles). Large engine motorcycles partly offset the negative trend of other segments. Sales in the first half of 2011 went up to 33 thousand units against 32 thousand in 2010 (+1%). The 50cc motorcycle segment declined, with just under 3 thousand units sold (-7%).

Europe

On a European level, sales decreased on the motorcycle market (including 50cc motorcycles) in the first half of 2011, from 360 thousand units in the first half of 2010 to 339 thousand units in the same period in 2011 (-6%). The most significant downturn was in the 126-750cc segment, with sales falling from 125 thousand units in 2010 to 106 thousand units in 2011 (-16%). This was followed by the 51-125cc segment, with sales dropping from 48 thousand units to 44 thousand units (-8%) and the 50cc segment, with sales falling by -5% and 25 thousand units sold in the first half of 2011. Like the Italian market, aggregate European figures for the over 750cc motorcycle segment showed an increase in the first half of 2011 (+2%), with more than 165 thousand units sold. France remained the leading European market (76 thousand units), followed by Germany, with 66 thousand units, which was ahead of Italy with 59 thousand units, and the United Kingdom (35 thousand units) and Spain (26 thousand units).

North America

After a considerable decline following the world crisis, sales on the North American motorcycle market dropped only slightly in the first half of 2011 (-2%), and this was mainly attributable to the Canadian market. During the period in question, sales volumes in the United States were steady compared to the previous year. Over 750cc motorcycles accounted for 62% of the market, with a 3% increase, which offset the loss of the 50cc motorcycle segment (-36%); the 51-125cc motorcycle (-20%) segment and 126-750cc (-2%) motorcycle segment.

South America

The South American reference market for motorcycles is also Brazil. Motorcycle sales in Brazil in the first six months of 2011 grew 13.9% with 798 thousand units sold. Top ranking models are in the 126cc to 300cc with 477 thousand units sold in the first six months of 2011, an increase of 25.6% over the same period of the previous year.

Commercial Vehicles

Europe

In the first half of 2011, the European market for light commercial vehicles (vehicles with a maximum mass of up to 3.5 tons), where the Piaggio group operates, accounted for 0.85 million units registered, for a growth of 11.7% over the first half of 2010. The trend of main countries in this area was as follows: Italy registered a decrease of 0.9% in the first half of 2011, France and Spain also witnessed a drop of 9% and 12.8% respectively, while the German markets registered an increase of 22.5%.

India

The Indian three-wheeler market - where Piaggio Vehicles Private Limited, a subsidiary of Piaggio & C. S.p.A., operates - went up from 223,876 units in the first half of 2010 to 253,038 in the first half of 2011, registering a 13% increase. Within this market, the passenger transport vehicles segment continued its growth trend, selling 197,728 units, up 12.5%, while the cargo segment reported an increase of 15.1%, with sales going up from 48,048 to 55,310 units. The traditional three-wheeler market is flanked by the four-wheeler light commercial vehicles (LCV) market (cargo vehicles for goods transport) where Piaggio Vehicles Private Limited operates with the Apé Truk and Apé Mini. The LCV cargo market accounted for sales of 153,198 units in the first half of 2011, up 23.2% over the same period in 2010.

The naval sector: Rodriquez group

In thousands of euros	30.06.2011	in %	30.06.2010	in %	Change	in %
Net revenues	46,446		46,003		443	1.0%
Operating earnings before depreciation and amortisation (EBITDA)	-4,904	-10.6%	-3,244	-7.1%	-1,660	-51.2%
Operating earnings (EBIT)	-6,354	-13.7%	-4,941	-10.7%	-1,413	-28.6%
Earnings before taxation	-8,512	-18.3%	-6,733	-14.6%	-1,779	-26.4%
Earnings for the period including non-controlling interest	-8,612	-18.5%	-7,005	-15.2%	-1,607	-22.9%
Group earnings for the period (consolidable)	-5,441	-11.7%	-4,426	-9.6%	-1,015	-22.9%
Net financial position	-165,686		-116,062		-49,624	-42.8%
Personnel (number)	332		373		-41	-11.0%

With reference to the **naval sector**, in which Immsi Group is present via the group controlled by Rodriquez Cantieri Navali S.p.A., the first half of 2011 recorded a 1% increase in net revenues compared to the same period of the preceding year, reaching 46.4 million euros. The increase is mainly due to the subsidiary Intermarine S.p.A. that more than compensated the lesser production progress registered by the parent company Rodriquez Cantieri Navali S.p.A..

In particular, the progress in production, including the research & development activities, and the completion of the constructions and deliveries are referred to:

- the Fast Ferries division with 1.3 million euros (3 million euros during the first half of 2010), in particular for repairing activities and for the activities related to the projects and the construction of the prototypes of two Hydrofoils with immersed wing and one Aliswath;
- the Yacht division with 0.4 million euros (4.6 million euros during the first half of 2010), mainly relative to the sale of two used boats of small dimensions;
- the Intermarine division with 44.7 million euros (38.4 million during the first half of 2010), in particular for the progress i) in the construction of minesweepers for the Finnish Navy, ii) for the Guardia di Finanza (i.e., Tax Revenue Corps) vessels (28-metre Bigliani patrol boats, 13.2-metre and 22-metre patrol boats), as well as iii) for the activities related to the job order for the modernisation of the Italian Navy's Gaeta class minesweepers.

The production has moreover been characterized, particularly in the Fast Ferries and Yacht sectors, by altogether insufficient marginality to absorb the direct costs of production and those of the fixed structures. The marginality, especially for the Oman order of the Fast Ferries division, profits nevertheless from the use of the fund progressively set aside to hedge finishing costs on the basis of the updated order estimates of the boats still under construction, whereas the lack of new sales contracts to customers continued in the yacht division.

In the light of the above it is then noted how the general profitability is still negative, leading to a share of net consolidable result for the Immsi Group at 30 June 2011 equal to 5.4 million euros down on the negative 4.4 million euros at 30 June 2010.

At 30 June 2011, the overall order book amounts to approximately 230 million euros, of which that

related to the subsidiary Intermarine represents the most significant component, and it mainly includes the contract with the Italian Navy for a total value of 159.2 million euros related to the activities of modernization of 8 minesweepers of the Gaeta class, stipulated during 2009. Other significant orders related to said subsidiary concern the programme for the construction of 3 minesweepers for the Finnish Navy for approximately remaining 16.8 million euros as well as job orders for the Guardia di Finanza for a total amount of around 49.3 million euros.

The net financial debt, equal to 165.7 million euros has increased compared to the balance at 31 December 2010, equal to 137.3 million euros, mainly due to the use of credit lines to pay trade payables of current job orders, and in particular of the job order with the Finnish Navy, whose receipts – expected by the year end – will be realized upon delivery of the first and second units.

Financial situation and financial performance

In the first half of 2011 the Immsi Group presented operating results that are altogether positive even against a highly uncertain reference macroeconomic situation, particularly on the domestic market.

It should be pointed out that the variations recorded in the perimeter of consolidation related i) to the establishment, on 22 March 2011, of a new selling agency in Indonesia by the Piaggio group; and ii) the merger by incorporation in the parent company Rodriquez Cantieri Navali S.p.A. of the subsidiaries Conam S.p.A. and Rodriquez Marine System S.r.l., which took place in the second half of the 2010 fiscal year, do not alter the comparability of the balance sheet and income results between the two periods of reference. On the contrary, it is pointed out that the consolidated share of the Piaggio group, that at 30 June 2011 amounted to 53.75% was equal to 55.08% at 30 June 2010. This change is the consequence of the combined effect of i) the sale by Immsi S.p.A. of 5 million shares of Piaggio & C. S.p.A. to Banca IMI in the month of November 2010 and ii) the further purchases of Piaggio shares on the “*MTA-Mercato Telematico Azionario*” (Electronic Share Market) by Piaggio & C. S.p.A. during the second half of 2010.

The consolidated net revenues have increased by 9.1 million euros (+1.1%) to 878.7 million euros, mainly with the contribution of the industrial sector for 830 million euros, an increase of 9.2 million euros (+1.1%) and of the naval sector for 46.4 million euros, an increase of 0.4 million euros (+1%).

Operating earnings before amortisation and depreciation (EBITDA) at 30 June 2011 were 113.2 million euros (+2.1 million euros, or +1.9%, compared to the first half of 2010), 12.9% of net revenues (12.8% in the corresponding period of 2010), while operating earnings (EBIT) were 66.1 million euros, 7.5% of net revenues, substantially in line compared to 30 June of the previous financial year for both absolute value and percentage of net revenues.

Moreover, it is pointed out that consolidated operating earnings do not include goodwill impairment in that i) on the basis of the results expected in the multi-year development plans prepared by the Group companies and used for testing for impairment performed at 31 December 2010, as well as ii) on the basis of the analyses carried out by Group management, during the drawing up of this half-yearly financial report at 30 June 2011, no write-downs were deemed to be necessary in that such goodwill is considered to be currently recoverable with future cash flows referable to the activities object of tests.

The earnings before taxes on 30 June 2011 amounted to 47.2 million euros, equal to 5.4% of net revenues compared to 51 million euros (5.9% of net revenues) at 30 June 2010. Such decrease can be traced back to an increase in value of the Group's net financial charges (passing from a balance of 15.1 million euros at 30 June 2010 to a balance of 18.9 million euros at 30 June 2011), mainly due i) to the increase in the Group financing cost with interests indexed to the Euribor, ii) to a negative impact of the exchange management related – in particular – to the industrial sector (Piaggio group) and iii) the lack of capital gain relative to the sale of Unicredit option rights (for approximately 0.9 million euros), enrolled by the Parent Company Immsi S.p.A. during the first half of 2010.

The taxes for the period, amount to 28.5 million euros compared to 29.7 million at 30 June 2010, with a tax rate of respectively 60.3% and 58.3%. The decrease in the taxation for the period is mainly due to the decrease in the earnings before taxes achieved by the Group during the first half of 2011 compared to the results in the corresponding period of the preceding year.

Group earnings for the period stand at 8.2 million euros (0.9% of net revenues) compared to 10.4 million euros (1.2% of net revenues) at 30 June 2010.

Group net financial debt at 30 June 2011 totals 675.3 million euros, increasing 13.7 million euros compared to the balance of 661.6 million euros at 31 December 2010 and increasing by

approximately 39 millions euros compared to the balance of 636.3 million euros at 30 June 2010.

Group gross investments in the year totalled 49 million euros, divided as follows:

- 29.6 million euros in intangible assets, almost fully referring to the Piaggio group; and
- 19.4 million euros in tangible assets, of which 18.9 million euros referring to the Piaggio group, 0.3 million euros to the Rodriguez group and the rest to the property and holding sector.

Besides the aforesaid cash flows in the period at issue there was also the distribution of dividends to the shareholders of the Parent Company Immsi S.p.A. and to non-controlling shareholders in companies of the Group, for an amount of 10.2 and 11.9 million euros respectively.

The total shareholders' equity of the Immsi Group at 30 June 2011 is equal to 631.7 million euros; excluding the portion for the non-controlling shareholders, the Group shareholders' equity is equal to 415.8 million euros.

Financial performance of the Group

The Group prepares reclassified figures as well as the financial statement schedules required by law. A short description of the main balance sheet and income statement items is provided below the reclassified schedules. Further information on these items may be found in the Explanatory Notes on the consolidated accounting statements. Specific notes referring to the mandatory schedule items are omitted since the main aggregates coincide. The reclassified consolidated income statement of Immsi Group shown below is classified by the nature of the income components and is in line with the IAS/IFRS guidelines which consider them entirely arising from ordinary activities, except for those of a financial nature.

In thousands of euros	<i>1st Half of 2011</i>		<i>1st Half of 2010</i>		<i>Change</i>	
Net revenues	878,680	100%	869,534	100%	9,146	1.1%
Costs for materials	514,519	58.6%	494,379	56.9%	20,140	4.1%
Costs for services and the use of third party assets	162,199	18.5%	161,381	18.6%	818	0.5%
Personnel costs	143,575	16.3%	142,264	16.4%	1,311	0.9%
Other operating income	66,626	7.6%	66,436	7.6%	190	0.3%
Other operating costs	11,787	1.3%	26,816	3.1%	-15,029	-56.0%
OPERATING EARNINGS BEFORE DEPRECIATION AND AMORTISATION (EBITDA)	113,226	12.9%	111,130	12.8%	2,096	1.9%
Depreciation of tangible assets	19,977	2.3%	20,627	2.4%	-650	-3.2%
Impairment of goodwill	0	-	0	-	0	-
Amortisation of finite life intangible assets	27,165	3.1%	24,401	2.8%	2,764	11.3%
OPERATING EARNINGS (EBIT)	66,084	7.5%	66,102	7.6%	-18	0.0%
Earnings on equity investments	0	-	0	-	0	-
Financial income	7,541	0.9%	13,766	1.6%	-6,225	-45.2%
Financial charges	26,455	3.0%	28,913	3.3%	-2,458	-8.5%
EARNINGS BEFORE TAXATION	47,170	5.4%	50,955	5.9%	-3,785	-7.4%
Taxation	28,467	3.2%	29,689	3.4%	-1,222	-4.1%
EARNINGS AFTER TAXATION FROM CONTINUING ASSETS	18,703	2.1%	21,266	2.4%	-2,563	-12.1%
Profit (loss) from assets for disposal or sale	0	-	0	-	0	-
EARNINGS FOR THE PERIOD INCLUDING NON-CONTROLLING INTEREST	18,703	2.1%	21,266	2.4%	-2,563	-12.1%
Non-controlling interest earnings for the period	10,488	1.2%	10,901	1.3%	-413	-3.8%
GROUP EARNINGS FOR THE PERIOD	8,215	0.9%	10,365	1.2%	-2,150	-20.7%

Consolidated Immsi Group net revenues at 30 June 2011 is 878.7 million euros, of which 830 million euros from the Piaggio group, 46.4 million euros from Rodriguez group and approximately 2.2 million euros from the property and holding sector.

The industrial sector has net revenues with an increase of approximately 1.1% million euros compared to the corresponding period of the preceding year (that is +9.2 million euros compared to 820.8 million at 30 June 2010). In particular, the Two-Wheeler business shows a downturn compared to the first six months of 2010, with overall sales of 578.7 million euros (-0.6%), whereas the Commercial Vehicles business performed positively, with sales amounting to around 251.3 million euros (+12.5 million euros or +5.2%). As a consequence, turnover was slightly changed compared to the same period in 2010; in particular, sales in the Two-wheeler segment fell from 70.9% of total turnover in the first half of 2010 to 69.7% of total turnover in the first half of 2011; conversely, the Commercial Vehicles business rose from 29.1% in the first half of 2010 to 30.3% the first half of 2011.

With reference to the naval sector, the net revenues amount at 30 June 2011 to 46.4 million euros, an increase of 1%, compared to 46 million euros made in the first half of 2010 mainly thanks to the subsidiary Intermarine S.p.A. that more than compensated the lesser production progress registered by the parent company Rodriquez Cantieri Navali S.p.A..

Lastly, with reference to the property and holding sector, it should be noted that the net revenues of the period underline a decrease (-0.5 million euros equal to -18.1%) compared to the final figures in the first half of 2010: this negative variation is to be attributed in particular to the closing down of the hotel structure of Is Molas S.p.A. that, during 2011, continued until the end of March.

Operating costs and other consolidated Group net costs in the first half of 2011 total 765.5 million euros (equal to 87.1% of net revenues), of which 709.7 million euros relating to the Piaggio group (85.5% of the net revenues of the group).

Costs for materials total 514.5 million euros, 58.6% of net revenues. The part relating to the industrial sector amounts to 492.3 million euros, 59.3% of the net revenues of the sector.

Personnel costs total 143.6 million euros, or 16.3% of net revenues. The largest part, 133.3 million euros (16.1% of net revenues of the sector), refers to the Piaggio group. The average remunerated workforce amounts to 8,086 units compared to 8,034 units in the first half of 2010.

Operating earnings before depreciation and amortisation (EBITDA) during the first half of 2011, total 113.2 million euros, equal to 12.9% of net revenues compared to 111.1 million in the first half of 2010 (12.8% of the net revenues of the period), with an increase of 2.1 million euros (+1.9%).

Depreciation and amortisation for the period stand at 47.1 million euros (of which 45.4 million euros related to the industrial sector), with an incidence of 5.4% of net revenues and a 2.1 million euros increase compared to the first half of 2010. Depreciation of tangible assets accounts for 20 million euros, while amortised intangibles excluding goodwill total 27.2 million euros.

Operating earnings (EBIT) stood at 66.1 positive million euros, 7.5% of net revenues, of which 75 million euros referring to the industrial sector.

The negative net financial balance totals 18.9 million euros, 2.2% of the net revenues of the Group, the result of a net negative balance of 13.1 million euros relating to the industrial sector, 2.2 million euros from the naval sector and 3.6 million euros from the property and holding sector.

Profit before taxation stands at 47.2 million euros, or 5.4% of net revenues, of which 61.8 million euros from the industrial sector, while the naval sector shows a loss of 8.5 million euros, and the property and holding sector a loss of 6.1 million euros.

Net earnings for the period, after taxation and net of non-controlling interest, totals 8.2 million euros (0.9% of net revenues), down (-2.2 million euros) over the 10.4 million euros recorded at 30 June 2010 (1.2% of net revenues).

Reclassified financial situation of the Group

In thousands of euros	30.06.2011	in %	31.12.2010	in %	30.06.2010	in %
Current assets:						
Cash and cash equivalent	158,819	6.6%	190,604	8.2%	199,664	8.2%
Financial assets	22,583	0.9%	23,273	1.0%	27,535	1.1%
Operating assets	814,078	34.0%	692,148	30.0%	809,845	33.2%
Total current assets	995,480	41.6%	906,025	39.2%	1,037,044	42.6%
Non-current assets:						
Financial assets	0	0.0%	0	0.0%	0	0.0%
Intangible assets	828,622	34.7%	831,386	36.0%	826,983	33.9%
Tangible assets	295,764	12.4%	302,010	13.1%	296,283	12.2%
Other assets	271,267	11.3%	271,479	11.7%	276,449	11.3%
Total non-current assets	1,395,653	58.4%	1,404,875	60.8%	1,399,715	57.4%
TOTAL ASSETS	2,391,133	100.0%	2,310,900	100.0%	2,436,759	100.0%
Current liabilities:						
Financial liabilities	402,570	16.8%	399,357	17.3%	369,410	15.2%
Operating liabilities	771,267	32.3%	648,503	28.1%	782,205	32.1%
Total current liabilities	1,173,837	49.1%	1,047,860	45.3%	1,151,615	47.3%
Non-current liabilities:						
Financial liabilities	454,147	19.0%	476,165	20.6%	494,059	20.3%
Other non-current liabilities	131,411	5.5%	142,955	6.2%	152,126	6.2%
Total non-current liabilities	585,558	24.5%	619,120	26.8%	646,185	26.5%
TOTAL LIABILITIES	1,759,395	73.6%	1,666,980	72.1%	1,797,800	73.8%
TOTAL SHAREHOLDERS' EQUITY	631,738	26.4%	643,920	27.9%	638,959	26.2%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,391,133	100.0%	2,310,900	100.0%	2,436,759	100.0%

Current assets at 30 June 2011 amounted to 995.5 million euros, an increase over 31 December 2010 of 89.5 million euros and a decrease over 30 June 2010 of 41.6 million euros. The increase compared to year end 2010 is mainly due to the growth in the net trade receivables (+129.7 million euros) and to the growth of the inventory stock (+18.3 million euros) mainly regarding the Piaggio group (respectively +94.8 and +17.5 million euros) because of the seasonality of the business.

Non-current assets at 30 June 2011 stand at 1,395.7 million euros against 1,404.9 million at 31 December 2010, with a 9.2 million euros decrease.

Specifically, among the non-current assets, intangible assets total 828.6 million euros, a 2.8 million euros decrease compared to 31 December 2010, tangible assets stand at 295.8 million euros (down by around 6.2 million euros compared to the end of 2010) and other assets of 271.3 million euros (against 271.5 million at the end of 2010).

Current liabilities at 30 June 2011 total 1,173.8 million euros, 126 million euros increase compared to 31 December 2010, mainly related to the increase in the trade payables (+100.2 million euros, of which +92.4 million in the Piaggio group), mainly in relation to the seasonality of the purchases.

Non-current liabilities at 30 June 2011 stand at 585.6 million euros, down by approximately 33.6 million euros compared to the 619.1 million euros of 31 December 2010.

The consolidated Group and non-controlling interest shareholders' equity at 30 June 2011 is 631.7

million euros, of which 215.9 million euros attributable to non-controlling interest.

An analysis of **invested capital** and its financial cover is presented below:

In thousands of euros	30.06.2011	in %	31.12.2010	in %	30.06.2010	in %
Current operating assets	814,078	56.6%	692,148	47.8%	809,845	56.7%
Current operating liabilities	-771,267	-53.6%	-648,503	-44.8%	-782,205	-54.8%
Net operating working capital	42,811	3.0%	43,645	3.0%	27,640	1.9%
Intangible assets	828,622	57.6%	831,386	57.4%	826,983	57.9%
Tangible assets	295,764	20.6%	302,010	20.8%	296,283	20.8%
Other assets	271,267	18.9%	271,479	18.7%	276,449	19.4%
Invested capital	1,438,464	100.0%	1,448,520	100.0%	1,427,355	100.0%
Non-current non-financial liabilities	131,411	9.1%	142,955	9.9%	152,126	10.7%
Non-controlling interest capital and reserves	215,916	15.0%	221,127	15.3%	216,196	15.1%
Consolidated shareholders' equity of the Group	415,822	28.9%	422,793	29.2%	422,763	29.6%
Total non-financial sources	763,149	53.1%	786,875	54.3%	791,085	55.4%
Net financial debt	675,315	46.9%	661,645	45.7%	636,270	44.6%

The schedule below illustrates the **cash flow statement** for the period:

In thousands of euros	30.06.2011	30.06.2010
Cash generated internally	91,330	116,385
Change in net working capital	-34,056	-71,688
Net cash flow generated from operations	57,274	44,697
Payment of dividends by Parent company	-10,216	-10,216
Payment of dividends to non-controlling interest by Group companies	-11,878	-11,609
Increase in share capital of subsidiaries underwritten by non-controlling interest	0	2,000
Purchase of treasury shares by the companies of the Group	0	-2,897
Purchase of intangible assets	-29,600	-26,410
Purchase of tangible assets	-19,418	-9,379
Sale price of tangible assets	151	1,663
Acquisition of non-controlling equity investments, net of disposal	0	23
Acquisition of controlling equity investments, net of disposals	0	13,652
Other net movements	17	162
Change in net financial position	-13,670	1,686
Initial net financial position	-661,645	-637,956
Closing net financial position	-675,315	-636,270

The net financial debt passes from 661.6 million euros at 31 December 2010 to 675.3 million euros at 30 June 2011 mainly due to the net cash flow generated from operations (57.3 million euros) able to only partially offset the net investments of the period (49 million euros), as well as the dividends distributed to the Parent Company's shareholders (10.2 million euros) and to minority shareholders of companies in the Group (11.9 million euros).

The net **financial debt** of 675.3 million euros at 30 June 2011 is analysed below and compared with the similar figure at 31 December 2010 and at 30 June 2010, according to the Consob Communication no. 6064293 dated 28 July 2006:

In thousands of euros	30.06.2011	31.12.2010	30.06.2010
Short-term liquidity			
Cash and cash equivalent	-158,819	-190,604	-199,664
Financial assets	-22,583	-23,273	-27,535
Total short-term financial assets	-181,402	-213,877	-227,199
Short-term financial payables			
Bonds	0	0	0
Amounts due to bank	367,787	370,899	330,959
Amounts due under finance leases	875	791	794
Amounts due to other lenders	33,908	27,667	37,657
Total short-term financial payables	402,570	399,357	369,410
Total short-term financial debt	221,168	185,480	142,211
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	139,704	139,007	138,321
Amounts due to bank	270,538	292,286	312,583
Amounts due under finance leases	7,222	7,471	7,903
Amounts due to other lenders	36,683	37,401	35,252
Total medium/long-term financial payables	454,147	476,165	494,059
Total medium/long-term financial debt	454,147	476,165	494,059
Net financial debt	675,315	661,645	636,270

Research & development

The Immsi Group carries out research and development activities through its controlled groups Piaggio and Rodriquez. Below is a summary of the main current activities in the two respective sectors, industrial and naval.

With reference to the **industrial sector**, the main goal of the Piaggio group is to satisfy the latest needs for mobility while reducing the environmental impact and consumption of its vehicles and guaranteeing an excellent performance: the group develops these areas through research and development in 5 centres in Italy, India and Vietnam. Therefore, Piaggio's research and development is strongly focussed on two main themes: developing engines that are even more environmentally friendly and with an even better performance, and vehicles with an improved functionality and safety. During the first half of 2011, the group continued its policy of retaining technological leadership in the sector, allocating total resources of 37.1 million euro to research and development with 4.5% incidence on net revenues (4.5% also during the first half of 2010), of which 25.3 million euro capitalised under intangible assets as development costs.

As regards the **naval sector**, it should be remembered that in the last few years the Rodriquez group has started some important research projects. The first project has an overall value of some 32 million euros and envisages the planning and construction of two prototypes of a new submerged-foil hydrofoil. 8,366 thousand euros of costs, net of amortisations for 2,879 thousand euros have been capitalized at 30 June 2011 for this project. The second project, named "Enviroaliswath", with an overall cost of about 22 million euros, envisages the planning and construction of a naval vessel that is innovative as regards environmental impact in terms of wake wash reduction. With reference to this last project, 6,457 thousand euros of costs and amortisations for 991 thousand euros have been capitalized at 30 June 2011. It should be remembered that the above items have been amortised until the year ending on 31 December 2004 at a rate of 20% a year. Beginning from 2005 the capitalized multi-year costs of research are no longer amortized until the completion of the project and they will restart when they begin to generate revenue. The project named "Pia-Lightprop", with an overall cost of 2.4 million euros, envisages the planning and construction of newly-conceived stern drive naval engines. At 30 June 2011, 1,501 thousand euros of costs have been capitalised and fully amortised.

Furthermore, costs were sustained during the first half of 2011, for 0.2 million euros, with particular reference to the construction of projects and prototypes of a new hydrofoil with immersed wings, which was partly capitalized under inventories as they concern the construction of the prototypes deriving from the projects and partly accounted in the Income Statement compensating for the contributions.

Risk factors

With reference to the risk factors that characterize the business of the Immsi Group, no significant variations have occurred during the first half of 2011 in relation to the contents of the Report of the Directors and the Financial Statements of the Immsi Group at 31 December 2010, to which reference is made for any further investigation.

As concerns the main risks and uncertainties related to the second half, please refer to the paragraph related to the Events occurring after 30 June 2011 and operating outlook.

Human resources

At 30 June 2011, Immsi Group employed 8,381 staff, of which 95 in the property and holding sector, 7,954 in the industrial sector (Piaggio group) and 332 in naval (Rodriguez group).

The following tables divide resources by category and geographical area:

Human resources by category

numbers	30/06/2011			
	Property and holding sector	Industrial sector	Naval sector	Group total
Senior managers	7	101	10	118
Middle managers and employees	40	2,605	158	2,803
Manual workers	48	5,248	164	5,460
TOTAL	95	7,954	332	8,381

Human resources by geographical area

numbers	30/06/2011			
	Property and holding sector	Industrial sector	Naval sector	Group total
Italy	95	4,381	332	4,808
Rest of Europe	0	497	0	497
Rest of the World	0	3,076	0	3,076
TOTAL	95	7,954	332	8,381

Below is a comparison between 30 June 2011 and 31 December 2010, divided by category and geographical area.

Human resources by category

numbers	30/06/2011	31/12/2010	Change
Senior managers	118	124	-6
Middle managers and employees	2,803	2,764	39
Manual workers	5,460	5,064	396
TOTAL	8,381	7,952	429

Human resources by geographical area

numbers	30/06/2011	31/12/2010	Change
Italy	4,808	4,561	247
Rest of Europe	497	459	38
Rest of the World	3,076	2,932	144
TOTAL	8,381	7,952	429

Group staff at 30 June 2011 include also workers employed with term contracts, mainly belonging to Piaggio group to meet the seasonal cycle of the production activity.

Stock options

At 30 June 2011, Immsi S.p.A. has no existing stock option plan.

It is noticed that in the subsidiary company Piaggio & C. S.p.A., with reference to the incentive plan 2007-2009, deliberated by the General Meeting of the company on 7 May 2007 and subsequently amended, reserved for senior executives or of Italian and/or foreign companies controlled by it in accordance with art. 2359 of the Italian Civil Code, as well as for the directors with proxies in the aforesaid subsidiary companies ("Plan 2007-2009"), it should be noted that on 13 January 2011 500,000 option rights expired.

At the date of 30 June 2011 there were therefore assigned totally 7,930,000 rights of option for a corresponding number of shares.

Detailed information on the 2007-2009 Plan is available in the informative documents published by Piaggio & C. S.p.A. in accordance with art. 84-bis of the Consob Issuers Regulations, which can also be viewed on the company's institutional website www.piaggiogroup.com in the *Governance* section.

Rights	No. of options	Average exercise price (euro)	Market price (euro)
Rights existing at 31.12.2010 ° of which exercisable in 2010	8,430,000 0		
New rights granted in the first half of 2011	0		
Rights exercised in the first half of 2011	0		
Rights expired in the first half of 2011	500,000	1.892	2.004
Rights existing at 30.06.2011 ° of which exercisable at 30.06.2011	7,930,000 0		

Other information

Treasury Stock

At 30 June 2011, the Company held no. 2,670,000 shares of treasury stock, purchased on the stock market during 2008, at an average price of 0.7784 euros. In conformity with the provisions of the applicable international standards, the nominal value of the purchases of treasury stock, equal to 1,388 thousand euros, has been carried to direct deduction from the share capital.

It should be remembered that the Ordinary Shareholders' Meeting of Immsi S.p.A., held on 10 May 2011, furthermore approved a plan to purchase and dispose treasury stock of the Company, since authorisation expired on 29 October 2010 for completing operations on own stock conferred by the Ordinary Shareholders' Meeting of Immsi on 29 April 2009. The deliberation was aimed at giving the Company a useful strategic investment opportunity for the purposes allowed by legislation regarding such matters, including the finalities as per the customs of the market permitted by Consob in accordance with art. 180, paragraph 1, lett. c) of the TUF with deliberation no. 16839 dated 19 March 2009 and in EC regulation no. 2273/2003 of 22 December 2003, as well as for proceeding to purchase own shares according to their subsequent annulment.

The Board of Directors of Immsi S.p.A. held on 10 May 2011 – following authorisation for purchase and disposal of own actions deliberated by the afore mentioned Company Shareholders Meeting – deliberated a programme to purchase and dispose treasury stocks as permitted by Consob in accordance with art. 180, paragraph 1, lett. c) of the TUF with deliberation no. 16839 dated 19 March 2009 and in the EC regulation no. 2273/2003 of 22 December 2003. In particular, the aim of the purchase programme will be the constitution of a “securities portfolio” to be used for executing any future investment operations to be made through exchange, trade, conferment, transfer or other act of disposing of own shares, including the obligation to guarantee the Company's financial operations.

With reference to the subsidiary Piaggio & C. S.p.A., it should be remembered that at 30 June 2011 the company owned 4,882,711 treasury stock (unchanged compared to 31 December 2010), equivalent to 1.31% of the capital stock.

Disputes in progress

There are no ongoing disputes of any significance involving the Parent company Immsi S.p.A..

Regarding the **property sector** and particularly Apuliae S.p.A., please refer to the paragraphs related to the property and holding sector contained in the Directors' Report on Operations of the Immsi Group at 31 December 2010 and in this Interim management report of the Immsi Group.

Again with reference to the property sector (**Is Molas S.p.A.**), it should be remembered that – with reference to the property “Le Ginestre,” for which the promissory buyers in the month of January 2008 notified a writ of summons to obtain withdrawal from the contract and accordingly reimbursement of double the deposit paid – Is Molas S.p.A. submitted the dossier to its attorneys. The Court Technical Expert's report was filed on 28 January 2010, concerning which the company is awaiting the determinations of the Court. On 7 April 2010 the counterparties presented the Court of Mantua with an application for the concession of ordinance ex art. 186 quater c.p.c.. This application was rejected by the Judge, which also reserved the right to decide on the admissibility of some documents produced by Is Molas S.p.A. in the defensive brief. On 20 July 2010 the court turned down the application to have the further documents produced admitted as evidence, deeming them superfluous for the purposes of the ruling. At the hearing of 5 July 2011, the parties specified their respective conclusions and the case was withheld in decision with the concession of

the terms provided for by art. 190 c.p.c. for depositing the conclusive papers. The first degree sentence could be published by the end of this year.

Again with reference to the subsidiary Is Molas S.p.A., it is mentioned that Sarroch Granulati S.r.l., with citation deed notified on 20 June 2011, summoned Rete Gamma S.p.A. Bankruptcy as well as Is Molas S.p.A. to appear in the Bergamo court at the hearing of 15 November 2011, asking:

- mainly, to declare the nullity, in application of art. 1418, par. 1, c.c., of the Decree of Transference of a company branch issued on 29 October 2004 by the Bergamo court, due to claimed “opposition to the principles of the system”, with consequent sentencing of those present to return their respective services; and
- subordinately, to accept that the value of the branch of the company transferred to Is Molas S.p.A. is greater than the knockdown price, with alleged unjust enrichment ex art. 2041 c.c. of this latter and consequent sentence to return or pay the alleged unjust enrichment in favour of Sarroch Granulati S.r.l., within the limits of the amount for which this latter was admitted passively to the Rete Gamma S.p.A. Bankruptcy, i.e. 1,980,473.40 euros or an indemnity to be quantified by the court.

Is Molas S.p.A. will appear before the court sustaining the lack of foundation of the demands of the actor, hence requesting total refusal.

Regarding the **industrial sector** (Piaggio group), Leasys–Savarent S.p.A., summoned to appear before the Court of Monza by Europe Assistance in relation to the rental supply of Piaggio vehicles to the Italian Postal System, summoned the party to the Court of Pisa as a guarantee, also filing for damages against Piaggio for alleged breach of the supply agreement. The Court of Monza declared its lack of jurisdiction concerning the applications filed against Piaggio, and Leasys-Savarent summoned Piaggio to appear before the Court of Pisa. The trial was suspended while awaiting the resolution of the dispute pending before the Court of Monza, which turned down the application of Leasys-Savarent. Leasys-Savarent continued proceedings through the Court of Pisa, applying only for damages against Piaggio. In the next hearing, set for 5 October 2011, the Judge will rule on the preliminary motions of the parties. In relation to the same dispute, Leasys–Savarent S.p.A. also filed an appeal for an injunction with the Court of Pisa against Piaggio & C. S.p.A., requesting the payment of certain invoices relative to costs sustained by Leasys itself for the servicing of the motorcycles rented by the Italian Postal System. Piaggio & C. S.p.A. appeared before the court in opposition to the injunction, requesting a repeal given that the supply contract did not charge the company with these expenses. After turning down the request to temporarily enforce the injunction filed by Leasys during the proceedings, the Judge ruled in favour of Piaggio & C. S.p.A., revoking the injunction. The term for Leasys to appeal against the ruling is pending.

By means of the deed notified on 25 May 2006, Piaggio & C. S.p.A. summoned some companies (Italy, Holland and USA) of the Case New Holland (CNH) group before the Court of Pisa in order to recover damages under contractual and non-contractual liability relating to the execution of a supply and development contract of a new family of utility vehicles. CNH appeared before the court requesting the dismissal of the action taken by Piaggio, objecting to the lack of jurisdiction of the court as the contract had an arbitration clause. The Court of Pisa, in a ruling of 5 March 2010, declared its lack of jurisdiction to rule on the case. While the term for appealing against the ruling is pending, Piaggio & C. S.p.A. took action to establish an arbitration board through the Arbitration Chamber of Milan to rule on the dispute. The arbitration board was established on 5 October 2010, informing the parties of the terms for filing brief. During the hearing of 7 June, the arbitration board accepted testimonial evidence, arranging for said to be made by written statements, with the questioning of witnesses as necessary. Written witness evidences were examined during the hearing held on 2 August: the case was adjourned to 20 September for a verbal cross-check with some witnesses about specific testing chapters.

In a writ received on 29 May 2007, Gammamoto S.r.l. in liquidation, a former Aprilia licensee in Rome, brought a case against Piaggio & C. S.p.A. before the Court of Rome for contractual and

non-contractual liability. The Company opposed the injunction fully disputing the validity of Gammamoto's claims and objecting to the lack of jurisdiction of the Judge in charge. The Judge, accepting the petition formulated by Piaggio & C. S.p.A., declared its lack of jurisdiction with regards to the dispute. Gammamoto appealed against the ruling on the grounds of lack of jurisdiction at the Court of Cassation, which ruled that the Court of Venice, already indicated in the ruling of the Court of Rome, had jurisdiction. Gammamoto continued proceedings through the Court of Venice, and the case has been adjourned to 19 September 2011. The proceedings undertaken by Gammamoto at the Court of Rome against Piaggio, Intesa Mediofactoring and Banca Popolare del Lazio, to ascertain the undue drawing of the guarantee by Intesa Mediofactoring, a factor company of Piaggio in relation to Gammamoto, concluded with a ruling that the Court through which Gammamoto took action lacked jurisdiction, which instead was of the Court of Milan. The Company is awaiting for proceedings to be continued by Gammamoto.

Da Lio S.p.A., by means of a writ received on 15 April 2009 - summoned the Company before the Court of Pisa to claim compensation for the alleged damages sustained for various reasons as a result of the termination of supply relationships. The Company appeared in court requesting the rejection of all opposing requests. Da Lio requested a joinder with the opposition concerning the injunction obtained by Piaggio to return the moulds retained by the supplier at the end of the supply agreement. Judgements were considered and a ruling issued pursuant to article 186ter of the Code of Civil Proceedings, on 7 June 2011, ordering Piaggio to pay the sum of Euro 109,586.60, in addition to interest relative to sums not which were not disputed. Proceedings were adjourned to 14 March 2012 with the start of the preliminary investigation.

The Canadian Scooter Corp. (CSC), sole distributor of Piaggio for Canada, summoned Piaggio & C. S.p.A., Piaggio Group Americas Inc. and Nacional Motor S.A to appear before the Court of Toronto (Canada) to obtain compensation for damages sustained due to the alleged infringement of regulations established by Canadian law on franchising (the Arthur Wishart Act). At present, an attempt to settle the dispute through mediation (a type of alternative dispute resolution) is ongoing. Piaggio also took independent legal action against the Bank of Nova Scotia in relation to the non-payment of three letters of credit issued by the bank as a guarantee of supplies made by Piaggio in favour of CSC. Piaggio's claim was however rejected, due to an inaccuracy in the wording of the guarantee.

Following the appeal made by Piaggio & C. S.p.A. pursuant to article 700 of the Code of Civil Proceedings, the Court of Naples, as a precautionary measure, issued an injunction against LML Italia S.r.l., a company distributing models of scooters in Italy manufactured by LML India Ltd, preventing it from using the "Piaggio", "Vespa" and "Vespa PX" brands on its sales information, advertising and promotional materials, stating that the continual matching of LML products with the Vespa manufactured by Piaggio constituted grounds for unfair competition. This ruling was also confirmed in an appeal. Piaggio therefore initiated proceedings with the Court of Naples to obtain damages for the unlawful use of Piaggio marks and for acts of unfair competition adopted by LML. The case has been adjourned to 6 December 2011 for specification of the pleadings. LML India, in turn, referring to the arbitration clause in settlement agreements signed with Piaggio in 1999 to end the joint venture established in India, summoned the Company to appear before an arbitration board in Singapore to obtain compensation for alleged damages sustained by LML India due to the effect of legal action taken by Piaggio against LML Italia. Arbitration ruled against all applications submitted by LML India.

In an appeal pursuant to article 140 of the Consumer's Code, the consumer association Altroconsumo requested the Court of Pisa to order Piaggio to take necessary measures to recall the first series of the Gilera Runner from the market (manufacture was stopped in 2005), claiming the existence of a design defect in the vehicle tank which would not make the motorcycle safe. In particular, to support its claims, Altroconsumo reported two fires caused over the years by two

accidents in which a first series Gilera Runner was involved and attached crash tests carried out on the same type of motorcycles. Piaggio opposed the proceedings undertaken by Altroconsumo, opposing the alleged existence of a design defect and hazardous nature of the vehicle, filing a specific technical appraisal. After the discussion taking place at the hearing of 27 July, the judge held the cause in reservation: the decision is expected by the end of the summer.

The amounts allocated by Piaggio & C. S.p.A. for the potential risks deriving from the current dispute appear to be consistent with the predictable outcome of the disputes.

As regards tax claim cases involving the parent company Piaggio & C S.p.A., two appeals are ongoing against two tax assessments notified to the Company and relative to the 2002 and 2003 tax years. These assessments originate from an audit conducted by the Inland Revenue Office in 2007 at the Company's offices, following information filed in the Formal Notice of Assessment issued in 2002 following a general audit. As concerns the assessments, a ruling in the first instance in favour of Piaggio & C. S.p.A. was made for both the 2002 and 2003 tax years. The Inland Revenue Office has so far appealed against the sentence relative to 2002 and with reference to the ruling, a decision in the second instance is pending. For both cases, the company has not considered it necessary to allocate provisions, in view of the positive opinions expressed by consultants appointed as counsel.

The main tax disputes of other companies of the Piaggio group concern P&D S.p.A. in liquidation and Piaggio Vehicles PVT Ltd. More specifically, and in reference to P&D SpA in Liquidation, a dispute arose in relation to the tax assessments issued by the Inland Revenue Office for the 2000, 2001 and 2002 tax years and based on an audit conducted in 1999, with the issue of a Formal Notice of Assessment. As concerns the aforesaid tax assessments, a sentence in the first instance was ruled in favour of P&D S.p.A., against which the Financial Administration made an appeal. As a result the Company appeared before the tribunal and a decision from the Regional Tax Tribunal of Florence is pending. The Company has not considered it necessary to allocate provisions, in view of the positive opinions expressed by consultants appointed as counsel. As regards Piaggio Vehicles PVT Ltd, several disputes concerning different tax years from 1998 to 2010 are ongoing relative to direct and indirect tax assessments. The Indian company has partly paid the contested amounts, that will be paid back when proceedings are successfully concluded in its favour, and has made provisions in the financial statements for the contested amounts.

Lastly, Piaggio France S.A. and Piaggio Deutschland GmbH received a relative notice of assessment, following general assessments in 2009 and 2010 by the tax authorities in their countries. In both cases, the companies filed briefs with the competent office to reduce claims and have started proceedings with the local Financial Administration. In particular, as regards Piaggio Deutschland GmbH, agreements are near conclusion to settle the case using measures to avoid litigation, as provided for by local laws. The company has already made provisions for the amount, which shall be paid following the settlement of measures.

As regards the **naval sector** (Rodriquez group), refer to what is described in the Directors' Report on Operations of the Immsi Group at 31 December 2010 – paragraph "Disputes in progress", with the exception of what is described below.

During the first half of 2011, Rodriquez Cantieri Navali S.p.A. was subjected to an audit for VAT and direct taxation purposes, carried out by the Messina Guardia di Finanza for the tax years 2002 and 2003 (subsequently extended to 2004) limited to company relationships with three companies having their registered office in Rovigo (limited liability companies). This check followed a broader investigation of a penal nature carried out by the Rovigo Guardia di Finanza on subjects for whom during 2007, following a cross-check, Rodriquez Cantieri Navali S.p.A. had produced all the documentation requested regarding relationships with these companies. The inspection was concluded on 28 June 2011, with the drawing up of the closing Notice of Assessment and transmission of the minutes to the Judicial Authority in the form of "annotation" and not as "notice of

crime". The company issued a specific one-sided declaration regarding it, shared in its content with their legal and tax consultants, in which they contested the fact that neither the company nor its legal/signatory representatives received any communication or notice of the declarations from the Judicial Authority, therefore they could not double the terms for tax assessment (since the presumed tax crimes were extinct due to prescription) and nevertheless the use of the invoices in question was not done in order to evade taxes (one of the conditions necessary for a penal-tax crime), regardless of the non-proven, presumed inexistence of the underlying operations.

With specific reference to the legal cases, in July, Rodriquez Cantieri Navali S.p.A. received from Sea Services (customer for the construction of a 38 m yacht for which the contract was resolved by Rodriquez Cantieri Navali S.p.A. in 2009 due to the ship owner's default) a request for appointing an arbitrator to form an arbitration board that should state their opinion on the claim of ascertaining the illegitimacy of contract resolution and for recognition of 1.8 million euros damages or at least for the return of a share of the price recognised on another construction for 1 million euros. The dossier was sent to the lawyers who support the company, for necessary evaluations.

During this period a verification was also opened by the Messina Labour Inspectorate, still ongoing, referred to the concession in 2010 of the redundancy funds in dispensation.

Events occurring after 30 June 2011 and operating outlook

With reference to the companies belonging to the **property and holdings** sector, and in particular Pietra S.r.l., we report approval of the project of the Conference of Services deliberating in conformity with art. 5 of the Burlando Decree dated 9 August.

With reference to the **Piaggio group**, Simest sold 12.5% of Piaggio Vietnam to Piaggio & C.. Following this operation, Piaggio Vietnam is held 100% by the Group. Furthermore, following the Board of Directors' meeting of 13 July 2011 – which resolved to authorise the issue of long-term debt securities for a total nominal amount of 75 million USD – on 25 July 2011 Piaggio & C. S.p.A. finalised the private placement of Senior Unsecured Notes on the American market (US Private Placement) entirely subscribed by an institutional investor for an amount of 75 USD, with last maturity at 10 years and coupon at 6.50%. The income will be used to refinance the debt, improving the profile by increasing the average maturity and a further differentiation of lenders.

With reference to the **Rodriguez group**, we report that on 6 July 2011 the parent company Rodriguez Cantieri Navail S.p.A. sold a property located in Pozzuoli for a price of 1.9 million euros.

Regarding the predictable evolution of the management of the Immsi Group during the second half of 2011, it can be hypothesized that the **Piaggio group** will continue its strategy of developing its industrial and commercial presence on main Asian markets, consolidating its leadership position on the Indian market in the three- and four-wheeler light commercial vehicles segments and obtaining further market shares in the scooter business in Asia Pacific. The Piaggio group will begin a new and decisive stage of development for operations in Asia, involving a major expansion of industrial and business operations throughout the area, with the aim of achieving a turnover on Asian markets in the next four years equal to 1 billion euro. At corporate level, the Piaggio group's R&D activities will focus on renewing the Group's product ranges of scooters, motorcycles and commercial vehicles – with particular attention on the development of low consumption, environmentally friendly engines.

For the naval sector, the **Rodriguez 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: the primary goal of the company will be completion and delivery before the end of the year of two minesweepers for the Finnish Navy, with the realisation of significant income flows that should allow reimbursement of the credit activated to finance the programme. For the Fast Ferries and Yacht sectors in which the group operates, during 2011 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. The group will focus on the completion and delivery of the two units under construction for the Sultanate of Oman, allowing - among other things - the discharge of guarantees issued to the customer.

In the light of the results achieved in the first half of 2011 as well as of the probable progress in current production during the remainder of the year, results not yet abreast of the expectations of economic equilibrium are predictable for 2011: awaiting recovery of the reference markets and any developments of a commercial nature regarding ongoing negotiations, the group will continue to pursue all possibilities for minimising and containing their operating and structure costs.

Immsi Group

Condensed half-year

financial statements at

30 June 2011

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2011

Amounts in thousands of euros

ASSETS		30 June 2011	31 December 2010
NON-CURRENT ASSETS			
Intangible assets	F1	828,622	831,386
Tangible assets	F2	295,764	302,010
- of which with Related Parties		28	34
Property investments	F3	73,385	73,262
Equity investments	F4	206	206
Other financial assets	F5	80,165	80,165
Amounts due from the tax authorities	F6	3,971	3,969
Deferred tax assets	F7	74,877	76,000
Trade receivables and other receivables	F8	16,516	15,741
- of which with Related Parties		444	443
TOTAL NON-CURRENT ASSETS		1,373,506	1,382,739
ASSETS INTENDED FOR DISPOSAL	F9	22,147	22,136
CURRENT ASSETS			
Trade receivables and other receivables	F8	437,367	319,146
- of which with Related Parties		2,896	3,458
Amounts due from the tax authorities	F6	34,608	48,339
Inventories	F10	328,532	310,275
Other financial assets	F5	36,154	37,661
Cash and cash equivalent	F11	158,819	190,604
TOTAL CURRENT ASSETS		995,480	906,025
TOTAL ASSETS		2,391,133	2,310,900
LIABILITIES			
SHAREHOLDERS' EQUITY			
Consolidated shareholders' equity of the Group		415,822	422,793
Non-controlling interest capital and reserves		215,916	221,127
TOTAL SHAREHOLDERS' EQUITY	G1	631,738	643,920
NON-CURRENT LIABILITIES			
Financial liabilities	G2	454,147	476,165
- of which with Related Parties		2,900	2,900
Trade payables and other payables	G3	4,681	5,977
Reserves for severance indemnity and similar obligations	G4	59,412	63,254
Other long-term reserves	G5	15,825	19,789
Deferred tax liabilities	G6	51,493	53,935
TOTAL NON-CURRENT LIABILITIES		585,558	619,120
LIABILITIES LINKED WITH ASSETS INTENDED FOR DISPOSAL		0	0
CURRENT LIABILITIES			
Financial liabilities	G2	402,570	399,357
- of which with Related Parties		94	92
Trade payables	G3	605,509	505,464
- of which with Related Parties		21,648	12,665
Current taxation	G7	40,572	24,272
Other payables	G3	99,826	89,981
- of which with Related Parties		30	30
Current portion of other long-term reserves	G5	25,360	28,786
TOTAL CURRENT LIABILITIES		1,173,837	1,047,860
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,391,133	2,310,900

CONSOLIDATED INCOME STATEMENT AT 30 JUNE 2011

Amounts in thousands of euros

		1 st Half of 2011	1 st Half of 2010
Net revenues	H1	878,680	869,534
- of which with Related Parties		903	215
Costs for materials	H2	514,519	494,379
- of which with Related Parties		20,751	21,488
Costs for services and the use of third party assets	H3	162,199	161,381
- of which with Related Parties		453	433
Personnel costs	H4	143,575	142,264
Depreciation of tangible assets	H5	19,977	20,627
Impairment of goodwill		0	0
Amortisation of finite life intangible assets	H6	27,165	24,401
Other operating income	H7	66,626	66,436
- of which with Related Parties		178	892
Other operating costs	H8	11,787	26,816
OPERATING EARNINGS		66,084	66,102
Earnings on equity investments		0	0
Financial income	H9	7,541	13,766
Financial charges	H10	26,455	28,913
- of which with Related Parties		56	43
EARNINGS BEFORE TAXATION		47,170	50,955
Taxation	H11	28,467	29,689
EARNINGS AFTER TAXATION FROM CONTINUING ASSETS		18,703	21,266
Profit (loss) from assets for disposal or sale	H12	0	0
EARNINGS FOR THE PERIOD INCLUDING NON-CONTROLLING INTEREST		18,703	21,266
Non-controlling interest earnings for the period		10,488	10,901
GROUP EARNINGS FOR THE PERIOD	H13	8,215	10,365

EARNINGS PER SHARE

In euros

From continuing and discontinued operations:	1 st Half of 2011	1 st Half of 2010
Basic	0.024	0.030
Diluted	0.024	0.030

From continuing operations:	1 st Half of 2011	1 st Half of 2010
Basic	0.024	0.030
Diluted	0.024	0.030

Average number of shares:	340,530,000	340,530,000
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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AT 30 JUNE 2011

Amounts in thousands of euros

	1 st Half of 2011	1 st Half of 2010
EARNINGS FOR THE PERIOD INCLUDING NON-CONTROLLING INTEREST	18,703	21,266
Gains/(Losses) on cash flow hedges	(1,354)	126
Gains/(Losses) on exchange differences on translating foreign operations	(7,460)	9,261
Gains/(Losses) on evaluation at fair value of assets available for sale and property investments	(806)	(4,611)
TOTAL OTHER GAINS (LOSSES) FOR THE PERIOD	(9,620)	4,776
TOTAL OF COMPREHENSIVE INCOME (LOSSES) FOR THE PERIOD	9,083	26,042
Comprehensive non-controlling interest earnings for the period	6,284	15,095
COMPREHENSIVE GROUP EARNINGS FOR THE PERIOD	2,799	10,947

STATEMENT OF CONSOLIDATED CASH FLOWS AT 30 JUNE 2011

Amounts in thousands of euros

In thousands of euros		1 st Half of 2011	1 st Half of 2010
Operating assets			
Earnings of the period	H13	8,215	10,365
Non-controlling interest	G1	10,488	10,901
Taxation	H11	28,467	29,689
Depreciation of tangible assets (including property investments)	H5	19,977	20,627
Amortisation of intangible assets	H6	27,165	24,401
Provisions for risks and for severance indemnity and similar obligations	H4 - H8	12,831	24,607
Write-downs / (Revaluations)	H7 - H8	224	1,254
Losses / (Gains) on disposal of tangible assets (including property investments)	H7 - H8	(27)	(1,960)
Interest receivable	H9	(2,699)	(1,281)
Interest payable	H10	18,714	16,433
Depreciation of grants	H7	(1,518)	(1,850)
Change in working capital:			
(Increase) / Decrease in trade receivables	F8	(129,656)	(113,260)
(Increase) / Decrease in inventories	F10	(18,257)	(25,943)
Increase / (Decrease) in trade payables	G3	100,192	128,876
(Increase) / Decrease in contract work in progress	F8	4,940	(16,928)
Increase / (Decrease) in provisions for risks	G5	(13,913)	(13,408)
Increase / (Decrease) reserves for severance indemnity and similar obligations	G4	(9,769)	(7,684)
Other changes		36,036	(31,692)
Cash generated from operations		91,410	53,147
Interest paid		(17,453)	(9,053)
Taxation paid		(15,184)	(1,062)
Cash flow from operations		58,773	43,032

In thousands of euros		1 st Half of 2011	1 st Half of 2010
Investments			
	<i>F1</i>	0	(8,438)
Acquisition of subsidiaries, net of cash and cash equivalents			
Sale price of subsidiaries, net of cash and cash equivalents		0	22,090
Investments in tangible assets	<i>F2</i>	(19,400)	(9,379)
Sale price, or repayment value, of tangible assets (including property investments)	<i>F2</i>	178	3,623
Investments in intangible assets	<i>F1</i>	(29,600)	(26,410)
Sale price, or repayment value, of intangible assets		10	177
Loans provided		(182)	0
Repayment of loans		185	1
Purchase of financial assets	<i>F5</i>	0	(23,097)
Sale price of financial assets		687	23
Interests received		2,103	620
Sale price from assets intended for disposal or sale		7	73
Other flows from assets intended for disposal or sale		(18)	0
Public grants received		0	17
Cash flow from investments		(46,030)	(40,700)
Financing			
Increase in share capital by third parties	<i>G1</i>	0	2,000
Purchase of treasury stock	<i>G1</i>	0	(2,897)
Loans received		66,371	144,721
Outflow for repayment of loans		(95,825)	(142,654)
Loans against leases received		227	0
Repayment of finance leases		(392)	(432)
Outflow for dividends paid to Parent company Shareholders	<i>G1 - N</i>	(10,216)	(10,216)
Outflow for dividends paid to Non-controlling Shareholders		(11,878)	(11,609)
Cash flow from financing		(51,713)	(21,087)
Increase / (Decrease) in cash and cash equivalents		(38,970)	(18,755)
Opening balance		170,511	184,571
Exchange differences		0	(15)
Closing balance		131,541	165,801

The variations in the working capital include higher trade payables and other payables toward Related Parties for 8,983 thousand euros and lower trade receivables and other receivables from Related Parties for 562 thousand euros. For greater detail on the relations between Related Parties taking place during the first half of 2011 please refer to the tables at the end of this half-yearly financial Report.

This schedule illustrates the changes in cash and cash equivalents, net of short-term bank overdrafts totalling 27.3 million euros at 30 June 2011.

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY AT 30 JUNE 2011

Amounts in thousands of euros

	<i>Share capital</i>	<i>Reserves and retained earnings</i>	<i>Earnings for the period</i>	<i>Group shareholders' equity</i>	<i>Non-controlling interest capital and reserves</i>	<i>Group and non-controlling interest shareholders' equity</i>
Balances at 31 December 2009	177,076	224,311	16,210	417,597	203,012	620,609
Allocation of Group earnings to Legal Reserve		726	(726)	0		0
Allocation of Group earnings to Dividends			(10,216)	(10,216)	(11,609)	(21,825)
Allocation of Group earnings to Retained Earnings		5,268	(5,268)	0		0
Purchase of treasury stock		(1,596)		(1,596)	(1,301)	(2,897)
Figurative cost of stock options		761		761	620	1,381
Other changes		5,270		5,270	10,379	15,649
Total of comprehensive income (losses) for the period		582	10,365	10,947	15,095	26,042
Balances at 30 June 2010	177,076	235,322	10,365	422,763	216,196	638,959

	<i>Share capital</i>	<i>Reserves and retained earnings</i>	<i>Earnings for the period</i>	<i>Group shareholders' equity</i>	<i>Non-controlling interest capital and reserves</i>	<i>Group and non-controlling interest shareholders' equity</i>
Balances at 31 December 2010	177,076	235,901	9,816	422,793	221,127	643,920
Allocation of Group earnings to Legal Reserve		843	(843)	0		0
Allocation of Group earnings to Dividends		0	(10,216)	(10,216)	(11,878)	(22,094)
Allocation of Group earnings to Retained Earnings		(1,243)	1,243	0		0
Purchase of treasury stock	0	0		0	0	0
Figurative cost of stock options		446		446	383	829
Other changes				0		0
Total of comprehensive income (losses) for the period		(5,416)	8,215	2,799	6,284	9,083
Balances at 30 June 2011	177,076	230,531	8,215	415,822	215,916	631,738

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2011

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- A - GENERAL ASPECTS

Immsi S.p.A. (the Company) is a limited company established under Italian law and has registered offices in Mantova - P.zza Vilfredo Pareto, 3 Centro Direzionale Boma. The main activities of the company and its subsidiaries (the Immsi Group), the information on the relevant events occurred after 30 June 2011 and on the predictable evolution of operations are described in the half-yearly Directors' Report on Operations. At 30 June 2011, Immsi S.p.A. was directly controlled by Omniainvest S.p.A., a company owned by Omniaholding S.p.A..

The condensed half-year financial statements of the Immsi Group include the financial statements of the Parent Company Immsi S.p.A. and the Italian and international companies directly and indirectly controlled by it, approved by the relevant corporate functions of the respective companies, suitably reclassified and adjusted where necessary to adapt them to the Group's accounting principles.

The financial statements are expressed in euros since that is the currency in which most of the Group's transactions take place.

The amounts in the above schedules and in the Explanatory Notes on the consolidated accounting statements are stated in thousands of euros (if not otherwise indicated).

Note that the Group carries out activities that, with main reference to the industrial sector, are characterized by significant seasonal changes of sales during the year.

These condensed half-year financial statements are subject to audit limited by Deloitte & Touche S.p.A. pursuant to the mandate granted by the Shareholders' Meeting in 12 May 2006 for the period 2006-2011.

COMPLIANCE WITH INTERNATIONAL ACCOUNTING STANDARDS

The condensed half-year financial statements are drawn up in compliance with the International Accounting Standards (IAS/IFRS) in force at that date, issued by the International Accounting Standards Board and approved by the European Union, as well as in compliance with the provisions established in Article 9 of Legislative Decree no. 38/2005 (Consob Resolution no. 15519 dated 27 July 2006 containing the "Provisions for the presentation of financial statements", Consob Resolution no. 15520 dated 27 July 2006 containing the "Changes and additions to the Regulation on Issuers adopted by Resolution no. 11971/99", Consob communication no. 6064293 dated 28 July 2006 containing the "Corporate reporting required in accordance with Article 114, paragraph 5 of Legislative Decree no. 58/98"). The interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously the Standing Interpretations Committee ("SIC"), were also taken into account.

This condensed half-year financial report has been prepared in accordance with IAS 34 - *Interim Financial Reporting* applying the same accounting principles and policies used in the preparation of the Consolidated financial statements at 31 December 2010, other than those discussed in the following paragraph "Accounting principles, amendments and interpretations adopted from 1 January 2011.

The preparation of the interim financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities recorded and disclosure of contingent assets and liabilities at the date of the end of the period. If in the future such estimates and assumptions, carried out by the management, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances may occur to change.

In addition, some evaluative processes, particularly the more complex ones such as the determination of any losses in value of fixed 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 that require immediate evaluation of possible losses of value.

FORM AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Further to the revision of IAS 1 – Presentation of financial statements, the Group has chosen to highlight all changes generated by transactions with non-shareholders within two statements reporting trends of the period, respectively named the "Consolidated Income Statement" and "Consolidated Statement of Comprehensive Income". These condensed half-year financial statements are therefore composed of the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement and these Explanatory Notes.

With reference to Consob Resolution no. 15519 of 27 July 2006 it is pointed out that, as regards the financial schedules, specific Income statement and Statement of Financial Position Schedules have been inserted with the evidence of significant related party dealings and non-recurring transactions. It is pointed out that no atypical or unusual operations have been carried out during the first half of 2011.

Consolidated income statement

The Consolidated income statement is presented with the items classified by nature. The overall Operating Income is shown, which includes all income and cost items, irrespective of their repetition or fact of falling outside normal operations, except for the items of financial operations included under Operating Income and Earnings before tax. In addition, the income and cost items arising from assets that are held for disposal or sale, including any capital gains or losses net of the tax element, are recorded in a specific item of the consolidated statement of financial position which precedes Group net income and non-controlling interests.

Consolidated Statement of Comprehensive Income

The Consolidated comprehensive income statement is presented as provided for in IAS 1 revised. This amended version of the standard requires income attributable to parent company owners and to non-controlling interests to be recorded.

Consolidated statement of financial position

The Consolidated balance sheet is presented in opposite sections with separate indication of assets, liabilities, and shareholders' equity. In turn, assets and liabilities are reported in the Consolidated Financial Statements on the basis of their classification as current and non-current.

Consolidated cash flow statement

The Consolidated cash flow statement is divided into cash-flow generating areas. The Consolidated Statement of Cash Flows model adopted by the Immsi Group has been prepared using the indirect method. The cash and cash equivalents recorded in the Consolidated Statement of Cash Flows include the Consolidated Statement of Financial Position balances for this item at the reference date. Financial flows in foreign currency have been converted at the average exchange rate for the period. Income and costs related to interest, dividends received and income taxes are included in the cash flow generated from operations.

Consolidated statement of changes in shareholders' equity

Starting 1 January 2009, the statement of the Changes to the consolidated shareholders' equity has been reviewed as required by the reviewed version of IAS 1. It includes the total income statement, separately stating the amounts ascribed to the shareholders of the Parent Company and to the relevant stake of third parties, the amounts of the operations with shareholders acting in this quality and any effects of the retroactive application or of the retroactive determination in accordance with IAS 8. For each item a reconciliation is presented between the balance at the start and at the end of the period.

- B - CONSOLIDATION AREA

At 30 June 2011, the Immsi Group structure is the one attached at the end of these Explanatory Notes.

The scope of consolidation has changed compared to the Consolidated Financial Statements as of 31 December 2010 and as of 30 June 2010, following the establishment of a new selling agency in Indonesia on 22 March 2011 by the Piaggio group. As the change is of a limited extent, comparability with data from previous periods has not been affected.

On the contrary, the Piaggio group consolidated portion of shareholders' equity, which stood at 53.75% at 30 June 2011 (unchanged compared to 31 December 2010), amounted to 55.08% at 30 June 2010. The change is the result of the combined effect of i) Immsi S.p.A.'s sale of 5 million Piaggio & C. S.p.A. shares to Banca IMI in March and November 2010 and ii) further purchases of Piaggio shares made on the MTA market by Piaggio & C. S.p.A. itself during the second half of 2010 (at 30 June 2010 Piaggio & C. S.p.A. held 4,642,393 own shares, then increased to 4,882,711 at 31 December 2010 and at 30 June 2011).

Lastly, it must be remembered that during the second half of the 2010 financial year, subsidiaries Conam S.p.A. and Rodriquez Marine System S.r.l. were merged into the controlling company, Rodriquez Cantieri Navali S.p.A.: this transaction did not alter the comparability of the balance sheet and income results between the two periods of reference.

- C - CONSOLIDATION PRINCIPLES

Please refer to the explanatory and additional Notes on the consolidated financial statements at 31 December 2010 for details on the principles of consolidation implemented by the Company for drawing up the condensed half-year financial statements of the Immsi Group.

- D – ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS ADOPTED FROM 1 JANUARY 2011

The accounting standards implemented in drawing up these condensed half-year financial statements of the Immsi Group are the same ones followed in drawing up the consolidated financial statements at 31 December 2010 to which we refer you for further details. The standards, amendments and interpretations applied by the Group since 1 January 2011 are listed below.

IFRS 3 - Business combinations

The amendment clarifies that components of non-controlling interests do not entitle holders to receive a proportional share of net assets of the subsidiary, which must be valued at fair value or as required by applicable international standards. Moreover, the Board further analysed the issue of share-based payments which are replaced in business combinations, adding specific guidelines clarifying accounting treatment.

IFRS 7 - Financial Instruments: Disclosures

The change refers to the interaction between additional qualitative and quantitative information required by the standard on the nature and extent of risks concerning financial instruments. This should help readers of financial statements to associate presented information and obtain a general description of the nature and extent of risks concerning financial instruments. The requirement to disclose financing activities which have expired but not been renegotiated or impaired and to disclose the fair value of collaterals has been eliminated.

IAS 1 - Presentation of Financial Statements

The amendment requires the reconciliation of changes in all items of equity to be presented in the notes and the financial statements.

IAS 34 – Interim financial reporting

Guidelines have been added on additional information to be included in Interim Financial Statements.

IAS 32 – Financial instruments: Presentation – Classification of rights issues, to regulate the accounting of rights issues (rights, options or warrants) in a currency other than the operating currency of the issuer

These rights were previously accounted for as liabilities from derivative financial instruments. The amendment requires these rights, in certain conditions, to be classified as Shareholders' equity regardless of the currency in which the exercise price is denominated.

IAS 24 – Related Party Disclosures

The amendment simplifies the type of information required in the case of transactions with Related Parties controlled by the State and gives a clear definition of related parties.

Amendments and interpretations applied as from 1 January 2011 and not relevant to the Group

The following amendments and interpretations, applicable as from 1 January 2011, regulate specific cases and case histories which are not present within the Group as of the date of this half-year financial report:

- *Minor amendment to IFRIC 14 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* – which allows companies to prepay minimum funding contributions and recognise them as an asset;
- *IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments* – which provides guidelines on recording the extinguishing of a financial liability with equity instruments. The interpretation establishes that if a business renegotiates extinguishing conditions of a financial liability and the creditor accepts extinguishing through the issue of the company's shares, the shares issued by the company will become a part of the price paid for extinguishing the financial liability and shall be valued at fair value; the difference between the book value of the extinguished financial liability and opening value of equity instruments shall be recorded in the consolidated income statement of the period.

Accounting standards, amendments and interpretations which are not yet applicable and adopted in advance by the Group

On 12 November 2009 the IASB published IFRS 9 – Financial Instruments - on classifying and measuring financial assets as from 1 January 2013. This is the first step in a project which will entirely replace IAS 39 in stages. The new standard uses a single approach based on procedures for financial instrument management and on contract cash flows of financial assets to determine valuation criteria replacing different regulations in IAS 39. The new standard will also have a single

method to determine impairment losses from financial assets.

On 7 October 2010 IASB published some amendments to IFRS 7 – Financial instruments: Disclosures, applicable for accounting periods commencing on or after 1 July 2011. The purpose is to improve understanding of transfer transactions of financial assets, including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.

On 20 December 2010 the IASB issued a minor amendment to *IFRS 1 – First-time Adoption of International Financial Reporting Standards* to eliminate the reference to the date 1 January 2004 described as the date of transition to IFRS and to provide guidance on the presentation of financial statements following a period of hyperinflation. The amendment will be applicable as from 1 July 2011.

On 20 December 2010 the IASB issued a minor amendment to *IAS 12 – Income Taxes* which requires businesses to measure deferred tax assets and liabilities arising from an asset based on the manner in which the carrying amount of the asset will be recovered. Consequently *SIC 21 Income taxes – Recovery of Revalued Non-Depreciable Assets* – will no longer be applicable. The amendment will be applicable as from 1 January 2012.

On 12 May 2011 the IASB issued standard *IFRS 10 - Consolidated Financial Statements* which will replace *SIC 12 Consolidation - Special purpose entities* and parts of *IAS 27 - Consolidated and Separate Financial Statements* what will be renamed *Separate financial statements* and will regulate the accounting treatment of equity investments in separate financial statements. The new standard deviates from existing standards by identifying the concept of control as the determinant factor for the purposes of consolidation of a company in the consolidated financial statements of the parent company. It also provides a guide for determining the existence of control where it is difficult to establish. The standard is applicable in a retrospective manner as of 1 January 2013.

On 12 May 2011 the IASB issued the standard *IFRS 11 – Joint arrangements* which will replace *IAS 31 – Interests in Joint Ventures* and *SIC 13 – Jointly controlled entities - Non-monetary contributions by venturers*. The new standard provides methods for identifying joint arrangements based on the rights and obligations under such arrangements rather than their actual legal form and establishes the equity method as the only accounting treatment for jointly controlled entities in consolidated financial statements. The standard is applicable in a retrospective manner as of 1 January 2013. After the issue of the standard *IAS 28 – Investments in associates* it was amended to include jointly controlled entities within its field of application, as of the date the standard became effective.

On 12 May 2011 the IASB issued standard *IFRS 12 – Disclosure on interests in other entities* which is a new and complete standard on disclosures to provide on all types of investments including in subsidiaries, joint arrangements, associates, special purpose entities and unconsolidated structured entities. The standard is applicable in a retrospective manner as of 1 January 2013.

On 12 May 2011 the IASB issued the standard *IFRS 13 – Fair value measurement* which explains how fair value is to be determined for financial statements and applied to all the standards which require it or allow fair value measurement of the disclosure of information based on fair value. The standard shall be applicable as of 1 January 2013.

On 16 June 2011 IASB issued an amendment to *IAS 1 – Presentation of financial statements* to require entities to group all items presented in “Other comprehensive income” based on whether they are potentially reclassifiable to profit or loss. The amendment is applicable to financial years

started after or on 1 July 2012.

On 16 June 2011 the IASB issued an amendment to *IAS 19 – Employee benefits* which eliminates the option of deferring recognition of actuarial gains and losses with the corridor approach, requiring disclosure of the provision deficit or surplus in the statement of financial position, and recognition of cost items linked to employment and net borrowing costs in profit and loss, and recognition of actuarial gains and losses resulting from remeasurement of assets and liabilities in “Other comprehensive income”. In addition, the performance of an asset included in net borrowing costs must be calculated based on the discount rate of the liability and no longer on the expected return of the assets. Lastly, the amendment introduces enhanced disclosures to provide in the notes. The amendment is applicable in retrospective manner from the financial year starting after or on 1 January 201.

At the date of issue of these Abbreviated Half-Year Financial Statements, competent bodies of the European Union had not completed the approval process necessary for the application of these amendments and standards.

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

Income statement

	<i>Property and holding sector</i>	<i>Industrial sector</i>	<i>Naval sector</i>	<i>Immsi Group</i>
In thousands of euros				
Net revenues to third parties	2,222	830,012	46,446	878,680
NET REVENUES	2,222	830,012	46,446	878,680
OPERATING EARNINGS (EBIT)	-2,517	74,955	-6,354	66,084
Gain / loss on equity investments	0	0	0	0
Financial income				7,541
Financial charges				26,455
EARNINGS BEFORE TAXATION				47,170
Taxation				28,467
EARNINGS AFTER TAXATION FROM CONTINUING ASSETS				18,703
Gain (loss) from assets intended for disposal or sale				0
EARNINGS FOR THE PERIOD INCLUDING NON-CONTROLLING INTEREST				18,703
Non-controlling interest earnings for the period				10,488
GROUP EARNINGS FOR THE PERIOD				8,215

Balance sheet

	<i>Property and holding sector</i>	<i>Industrial sector</i>	<i>Naval sector</i>	<i>Immsi Group</i>
In thousands of euros				
Segment assets	401,513	1,606,609	382,805	2,390,927
Equity investments in associated companies	0	184	22	206
TOTAL ASSETS	401,513	1,606,793	382,827	2,391,133
TOTAL LIABILITIES	219,319	1,164,573	375,503	1,759,395

Other information

In thousands of euros	<i>Property and holding sector</i>	<i>Industrial sector</i>	<i>Naval sector</i>	<i>Immsi Group</i>
Investments in tangible and intangible assets	273	48,458	269	49,000
Depreciation, amortisation and write-downs	330	45,586	1,450	47,366
Cash flow from operations	-6,493	93,399	-28,133	58,773
Cash flow from investments	-383	-45,638	-9	-46,030
Cash flow from financing	633	-80,825	28,479	-51,713

Information by geographical areas

The following table presents the Group income statement and balance sheet figures for the first half of 2011 in relation to the geographical areas “of origin”, that is, with reference to the country of the company which received the revenues or which owns the assets. It is pointed out that the distribution of revenues by the geographical area of “destination”, that is, with reference to the customer’s country, is analysed in the Explanatory Note under the item “Net revenues”.

Income statement

In thousands of euros	<i>Italy</i>	<i>Rest of Europe</i>	<i>India</i>	<i>United States</i>	<i>Rest of the World</i>	<i>Immsi Group</i>
Net revenues to third parties	550,288	41,637	197,617	19,939	69,199	878,680
NET REVENUES	550,288	41,637	197,617	19,939	69,199	878,680

Balance sheet

In thousands of euros	<i>Italy</i>	<i>Rest of Europe</i>	<i>India</i>	<i>United States</i>	<i>Rest of the World</i>	<i>Immsi Group</i>
Segment assets	2,077,537	61,882	170,610	24,315	56,583	2,390,927
Equity investments in associated companies	158	3	0	0	45	206
TOTAL ASSETS	2,077,695	61,885	170,610	24,315	56,628	2,391,133

In thousands of euros	<i>Italy</i>	<i>Rest of Europe</i>	<i>India</i>	<i>United States</i>	<i>Rest of the World</i>	<i>Immsi Group</i>
Total receivables *	217,868	70,486	9,310	5,037	14,853	317,554
Total payables **	548,896	79,296	61,866	1,309	18,649	710,016

*Contract work in progress and Amounts due from the Tax authorities are not included.

**Financial liabilities and Payables for Current taxation are not included.

Other information

In thousands of euros	<i>Italy</i>	<i>Rest of Europe</i>	<i>India</i>	<i>United States</i>	<i>Rest of the World</i>	<i>Immsi Group</i>
Investments in tangible and intangible assets	24,700	1,100	15,900	1,100	6,200	49,000
Depreciation, amortisation and write-downs	39,026	799	5,275	77	2,189	47,366

- F - INFORMATION ON THE MAIN ASSET ITEMS

Amounts are stated in thousands of euros unless otherwise indicated.

- F1 - INTANGIBLE ASSETS 828,622

Net intangible assets at 30 June 2011 total 828,622 thousand euros, a 2,764 thousand euros decrease compared to 31 December 2010, as detailed below:

In thousands of euros	<i>Balance at 31.12.2010</i>	<i>Increases</i>	<i>Change in consolidation area</i>	<i>Other movements</i>	<i>Balance at 30.06.2011</i>
Development costs	194,824	25,214	0	(49,179)	170,859
Concessions, patents, industrial and similar rights	185,597	2,648	0	(190)	188,055
Trademarks and licences	148,407	0	0	0	148,407
Goodwill	606,127	0	0	0	606,127
Other intangible assets	6,327	1,738	0	(317)	7,748
TOTAL	1,141,282	29,600	0	(49,686)	1,121,196

The table below illustrates the changes in amortisation relating to the above items:

In thousands of euros	Accumulated amortisation					Net amounts
	<i>Balance at 31.12.2010</i>	<i>Depreciation</i>	<i>Change in consolidation area</i>	<i>Other movements</i>	<i>Balance at 30.06.2011</i>	<i>Balance at 30.06.2011</i>
Development costs	95,735	14,041	0	(44,281)	65,495	105,364
Concessions, patents, industrial and similar rights	150,051	8,172	0	(109)	158,114	29,941
Trademarks and licences	67,010	4,521	0	0	71,531	76,876
Goodwill	(7,855)	0	0	0	(7,855)	613,982
Other intangible assets	4,955	431	0	(97)	5,289	2,459
TOTAL	309,896	27,165	0	(44,487)	292,574	828,622

N.B.: The "Other movements" item includes the reductions for fully amortised intangible assets, translation differences relating to financial statements in foreign currencies, reclassifications and write-downs.

Development costs

Development costs mainly include costs for products and engines in projects for which there is an expectation for the period of the useful life of the asset to see net sales at such a level as to allow the recovery of the costs incurred. This item includes assets under construction for 39,372 thousand euros which instead represent costs for which the conditions for capitalisation exist, but in relation to products that will go into production in future years.

With reference to the Piaggio group, the new projects capitalized during the first half of 2011 mainly refer to the new models Vespa India and to the new engines 125 HE and Lem intended for future Vespa India and scooters built in Vietnam. The costs of development recorded under this item are amortized at constant rates, in 3 years, in consideration of their residual utility. During the first half of 2011 development costs were directly ascribed to the Income statement for around 11.8 million euros.

With reference to the naval sector please refer to the Interim Management Report of the Immsi Group – paragraph Activity of Research & Development.

Concessions, patents, industrial and similar rights

With particular reference to the Piaggio group (which represents nearly the whole value), the item under question is predominantly composed of software (10,423 thousand euros) and patents and know-how prevalently referable to the vehicles Vespa, GP 800, MP3, RSV 4, MP3 hybrid and 1200cc engine of the NT3 prototype. The increases of the period, essentially regarding the software, mainly refer to the implementation of the SRM platform in India and Vietnam and to the SAP installation in Indonesia.

This item comprises assets under construction for 1,235 thousand euros. The costs of rights of industrial patents and rights of use of intellectual works are amortized in three years.

Trademarks and licences

The trademarks and licences with a finite life item, totalling 76,876 thousand euros, is as follows:

	Net Value at 30 June 2011	Net Value at 31 December 2010
Guzzi brand	25,899	27,422
Aprilia brand	50,888	53,882
Minor brands	89	93
Total Brands	76,876	81,397

The gross value of the Aprilia brand is 89,803 thousand euros, while that of Guzzi brand is equal to 36,559 thousand euros. The values of the Aprilia and Moto Guzzi brands are based on the investigation of an independent third party carried out in 2005. The above brands are amortised over a period of 15 years.

Goodwill

The goodwill registered by the Group has unchanged compared to 31 December 2010 and its composition is detailed in the following table:

In thousands of euros	Net balance at 30.06.2011
Acquisition of 100% of Piaggio & C. S.p.A. by Piaggio Holding N. BV (in 2003)	405,985
Acquisition of 2.81% of Piaggio & C. S.p.A. by Piaggio Holding N. BV (in 2006)	14,620
Acquisition of 31.25% of Piaggio Holding N. BV by Immsi S.p.A. (in 2003)	3,480
Acquisition of 5.23% of Piaggio & C. S.p.A. by Immsi S.p.A. (in 2004) / Sale of 2.32% of Piaggio & C. S.p.A. by Immsi S.p.A. in 2008	3,643
Acquisition of 17.7% of Piaggio Holding N. BV by Immsi S.p.A. (in 2004 and 2006)	64,756
Acquisition of 2.22% of Piaggio & C. S.p.A. by Immsi S.p.A. (in 2007 and 2008)	7,143
Acquisition of 100% of Aprilia S.p.A. by Piaggio & C. S.p.A. (in 2004)	79,705
Acquisition of 66.49% of Rodriguez S.p.A. by RCN Finanziaria S.p.A. (in 2004)	30,337
Acquisition of 33.51% of Rodriguez S.p.A. by RCN Finanziaria S.p.A. (in 2005)	2,001
Acquisition of 2.37% of RCN Finanziaria S.p.A. by Immsi S.p.A. (in 2007)	1,286
Other acquisitions / changes	1,026
TOTAL	613,982

Goodwill derives from the greater value paid compared to the corresponding portion of the investee companies' shareholders' equity at the time of the purchase, reduced by the related cumulative amortisation until 31 December 2003. During first-time adoption of the IFRS, in fact, the Group chose not to apply *IFRS 3 – Business combinations* retroactively to company acquisitions prior to 1 January 2004; consequently, the goodwill generated on acquisitions prior to the IFRS transition date was maintained at the previous value, calculated in accordance with Italian accounting standards, subject to verification and the recording of any impairment. As of 1 January 2004 goodwill is no longer amortised: the recoverable value of the cash-generating unit, to which the single goodwills have been attributed, is verified by determining the current value and submitted to an impairment test, applying the method required by the International Accounting Standard IAS 36.

Such value has been estimated on the basis of:

- the current value of the future financial flows over a multi-year forecasting period that are estimated to be generated by the continuous use of the assets referred to the single cash generating units (method of “Discounted Cash Flow” in its “Unlevered” version); and
- by the terminal value attributable to them (estimated according to the perpetuity growth method), so as to reflect the residual value that each cash-generating unit is expected to generate beyond the planning horizon and representative of the current value of the future cash flows subsequent to the period of explicit projection of the financial data forecast.

It should be borne in mind, lastly, that goodwill recoverability is checked at least once a year (at 31 December), even failing indicators of a possible loss of value.

While the balance sheet of the Immsi Group at 31 December 2010 was being drawn up, with reference to the Piaggio group cash-generating unit, the impairment test was arranged in-house by the Immsi S.p.A. company management, whereas for the Rodriquez group cash-generating unit, the Parent Company called in independent third consultants to draw up an impairment report to support the Parent Company's Board of Directors for the purposes of the application of the procedure set out in accounting standard IAS 36. As concerns the Piaggio group, it has been considered reasonable to consider the Piaggio cash-generating unit coincident with the Piaggio group as a whole (Piaggio & C. S.p.A. and its subsidiaries). Therefore all the considerations related to the estimate of the utilization value of the cash-generating unit and to its use for the purposes of the impairment test were developed considering the Piaggio group at consolidated level. It should be noted that the book value of the goodwill allocated to the cash-generating unit Piaggio group is equal to around 579.5 million euros. As concerns the Rodriquez group, it has been considered reasonable to consider the Rodriquez cash-generating unit coincident with the Rodriquez group as a whole (Rodriquez Cantieri Navali S.p.A. and its subsidiaries). Therefore all the considerations related to the estimate of the utilization value of the cash-generating unit and to its use for the purposes of the impairment test were developed considering the Rodriquez group at consolidated level. It should be noted that the book value of the goodwill allocated to the Rodriquez group cash-generating unit is equal to around 34.4 million euros.

Please refer to the explanatory and additional Notes on the consolidated financial statements contained in the Report at 31 December 2010 of the Immsi Group for greater detail on the principal assumptions used in the determination of the utilization value of the cash-generating unit Piaggio group and Rodriquez group.

With reference to both cash-generating units the analyses carried out at 31 December 2010 have not shown any losses in value for the tested goodwill: therefore no impairment has been reflected in the data of the separate or consolidated financial statements of the Parent Company at 31 December 2010.

As concerns the Piaggio group cash-generating unit, during the first half of 2011 no events occurred such as to indicate that the activities subject of impairment testing could have suffered a significant loss in value.

With reference to the Rodriquez group cash-generating unit, the results of the first half of 2011 have shown negative deviations with respect to what was originally forecast by group management, due mainly to delays in the progress of a few orders and in sustaining additional costs that led to reviews of the initial order estimates. Group management – on the basis of forecasts provided by Marketing Management – has therefore formulated a synthetic economic forecast for the 2011 financial year and for the 2012-2015 period regarding the likely evolution of the order portfolio compared to that used for preparing the long term forecasts approved by the Rodriquez Cantieri Navali S.p.A. Board of Directors dated respectively 30 November 2010 with reference to the 2011 Budget and 9 February 2011 with reference to the data of the economic and financial Plan for 2012-2014.

The above mentioned analysis has been made available to the Immsi S.p.A. Parent Company which has carried out the opportune analyses for verifying the possibility of recuperating the book

value of tested goodwill. Therefore no devaluation has been reflected in the data of the consolidated balance sheet of the Parent Company at 30 June 2011.

Considering that the analyses conducted to estimate the recoverable value both for the Piaggio group cash-generating unit and for the Rodriguez group cash-generating unit has also been determined on the basis of estimates, the Group cannot assure that there will not be a loss in value of the goodwill in future periods. Owing to the current context of the crunch in the markets of reference and in the financial markets, the different factors – both inside and outside the identified *cash-generating units* – used in drawing up the estimates could in the future be reviewed. The Group will constantly monitor these factors and the possible existence of future losses in value.

Other intangible assets

The “Other intangible assets with a finite life” item, totalling 2,459 thousand euros, mainly includes charges held by Piaggio Vietnam.

- F2 - TANGIBLE ASSETS	295,764
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Net tangible assets at 30 June 2011 total 295,764 thousand euros, compared to 302,010 thousand euros at 31 December 2010, and comprise assets of Immsi S.p.A. for 483 thousand euros, of the Piaggio group for 251,765 thousand euros, of the Rodriguez group for 25,239 thousand euros, of Is Molas S.p.A. for 18,241 thousand euros and of Immsi Audit for 35 thousand euros. The following table details this item:

In thousands of euros	Gross amounts					
	Balance at 31.12.2010	Increases	Decreases	Change in consolidation area	Other movements	Balance at 30.06.2011
Land	49,105	0	0	0	43	49,148
Property	154,283	3,305	0	0	(2,098)	155,490
Plant and machinery	379,344	7,663	0	0	(4,544)	382,463
Industrial and commercial equipment	484,268	5,441	(411)	0	33	489,331
Assets to be given free of charge	16,983	3	0	0	0	16,986
Other assets	52,623	2,865	(190)	0	(1,289)	54,009
TOTAL	1,136,606	19,277	(601)	0	(7,855)	1,147,427

The table below shows the changes in depreciation for the above items:

In thousands of euros	Accumulated amortisation						Net amounts
	Balance at 31.12.2010	Depreciation	Applications	Change in consolidation area	Other movements	Balance at 30.06.2011	Balance at 30.06.2011
Land	650	0	0	0	0	650	48,498
Property	49,010	2,247	0	0	(410)	50,847	104,643
Plant and machinery	287,456	7,607	0	0	(1,753)	293,310	89,153
Industrial and commercial equipment	440,418	8,502	(367)	0	21	448,574	40,757
Assets to be given free of charge	14,077	472	0	0	0	14,549	2,437
Other assets	42,985	1,149	(226)	0	(175)	43,733	10,276
TOTAL	834,596	19,977	(593)	0	(2,317)	851,663	295,764

N.B.: The “Other movements” item includes the reductions for fully amortised tangible assets, the translation differences relating to financial statements in foreign currencies, reclassifications and write-downs.

Among the tangible assets at 30 June 2011 there are 2,437 thousand euros related to entirely freely transferable assets owned by the Rodriguez group represented by light and fabricated constructions, and related costs of restructuring, built on State land in the Municipality of Messina. The amortisation of the buildings built on State land is performed according to the residual duration of the concession with expiration in December 2013. These assets, held because of a concession agreement, at its expiry, must be freely and in a perfect state of operation transferred to the granting body.

Finally, it should be remembered that the assets described below – lands excluded – are amortized at rates considered fit to represent their useful life and in any case according to a plan of fixed rate amortization.

Land and property

Land and industrial property refer to production facilities of the Piaggio group located in Pontedera (Pisa), Noale (Venice), Mandello del Lario (Lecco), Barcellona (Spain), Baramati (India) and Vinh Phuc (Vietnam), to the industrial complex of the Rodriguez group and to the tourism/hotel structure managed by Is Molas S.p.A. in the Municipality of Pula (Cagliari). The item also includes some lands and buildings belonging to the Piaggio group at Pisa and Lugnano which were transferred by the parent company in December 2009 to a property fund, consolidated on a line-by-line basis.

At 30 June 2011, the net value of the land and property owned under finance leases is 8,006 and 5,550 thousand euros, exclusively referring to the property lease agreement for the facility of the Piaggio group located at Mandello del Lario: the commitments for leasing instalments falling due are detailed in the illustrative note related to the financial liabilities.

Furthermore, the Group has registered 12,297 thousand euros for fixed assets in progress on buildings.

Plant and machinery

The “Plant and machinery” item refers essentially to the production facilities of the Piaggio group located in Pontedera (Pisa), Noale (Venice), Mandello del Lario (Lecco), Barcellona (Spain), Baramati (India) and Vinh Phuc (Vietnam), as well as the structures owned by the Rodriguez group and the facilities located in the tourism/hotel complex managed by Is Molas S.p.A., for a net overall amount (excluding assets held under finance leases) of 89,093 thousand euros. The Group has registered 15,144 thousand euros for fixed assets in progress and as a whole it uses plant and machinery completely amortised for a gross value of around 22,881 thousand euros.

Furthermore, the Rodriguez group has plant and machinery held under finance leases for a net book value of 60 thousand euros.

Industrial and commercial equipment

The “Industrial and commercial equipment” item, totalling 40,757 thousand euros, comprises essentially the production equipment of Piaggio & C. S.p.A., Nacional Motor S.A., Piaggio Vehicles Pvt. Ltd, Piaggio Vietnam Co Ltd and the Rodriguez group. The balance includes construction in progress for 9,280 thousand euros mainly recorded by the Piaggio group and fully depreciated equipment still in use totalling 5,260 thousand euros entirely related to the Rodriguez group.

The main investments in equipment regarded moulds for the new vehicles launched by the Piaggio group during the first half of 2011 or expected to be launched within the year end, moulds for new engines and specific equipment for the assembly lines.

Equipment is amortized at rates that the Group companies considered fit to represent their useful life.

Other assets

The “Other assets” item comprises vehicles, furniture, office fittings and EDP systems. The other assets are registered for a total value of 10,276 thousand euros, net of cumulative depreciation, and includes assets held under finance leases for 13 thousand euros. The Group uses assets belonging to this item and fully depreciated assets with a gross value of 3,971 thousand euros and recorded fixed assets in progress for 2,991 thousand euros.

Guarantees

At 30 June 2011, the Group has land and property encumbered by mortgages or pledges in favour of financial institutions to guarantee bank loans.

- F3 - PROPERTY INVESTMENTS	73,385
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At 30 June 2011 property investments were registered in the Immsi Group for 73,385 thousand euros, completely referable to the Parent Company Immsi S.p.A..

As described more fully in the Report and Financial Statements of the Immsi Group at 31 December 2008, at the end of the year 2008 Management modified the classification of the property located in Rome – Via Abruzzi into a non-instrumental investment property, as defined by IAS 40, since the initial intended use was no longer representative of its actual use. In addition, it should be remembered that the valuation of the real estate investment at issue is based on a survey performed by an external advisor that estimated the fair value at 31 December 2010 at no less than the value of registration in the financial statements at that date. During the first half of 2011 no events occurred such as to indicate that the activities subject of impairment testing could have suffered a significant loss in value: the increase of 123 thousand euros compared to the value registered at 31 December 2010 regards the reordering and restructuring works sustained during the first half of 2011.

Reference is made to the explanatory and additional Notes on the consolidated financial statements contained in the Report of the Directors and Financial Statements of the Immsi Group at 31 December 2008 and at 31 December 2009 for additional details on the reasons that have led to this change in intended use and to the related accounting method of the item subject of the comment, as well as the explanatory and additional Notes on the consolidated financial statements contained in the Balance Sheet of the Immsi Group at 31 December 2010 for greater detail of the evaluation criteria adopted for drawing up the assessment by the appointed external consultant.

- F4 - EQUITY INVESTMENTS	206
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The balance of the “Equity investments” heading recorded by the Group is unchanged compared to the value at 31 December 2010 and is equal to 206 thousand euros.

- F5 - OTHER FINANCIAL ASSETS	116,319
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- Non-current portion

The other non-current financial assets, equal to 80,165 thousand euros, remained unchanged compared to the value at 31 December 2010 and are entirely represented by financial assets available for sale represented by the investment in Alitalia – Compagnia Aerea Italiana S.p.A. held by Immsi S.p.A. and recorded in the financial statements for a value equal to 80 million euros. In this respect, it should be remembered that the shareholding by the Parent Company Immsi S.p.A.

is equal to 7.08% of the deliberated capital and, in the light of the information made publicly available by the aforesaid company regarding its operational trend, that substantially confirm results in line with the industrial plans, it is reckoned that the fair value of the investment corresponds to the book value registered at the time of acquisition of the investment.

- Current portion

Other current financial assets total 36,154 thousand euros at 30 June 2011, showing a 1,507 thousand euros decrease compared to 31 December 2010 and are detailed in the table below:

In thousands of euros		
	Balance at 30.06.2011	Balance at 31.12.2010
Financial assets	36,147	37,651
Financial receivables	7	10
TOTAL	36,154	37,661

Among the current financial assets are Italian government securities for 9,972 thousand euros purchased from the subsidiary Piaggio & C. S.p.A. and 12,477 thousand euros of shares in a liquidity fund purchased by the subsidiary Piaggio Vehicles Private Ltd. in order to efficiently use the liquidity temporarily available.

Immsi S.p.A., moreover, under this item registered the investment held in Unicredit (approximately 9.3 million shares) whose fair value at 30 June 2011 was equal to 13,571 thousand euros, down on the 14,388 thousand euros evaluated at 31 December 2010 as a result of the unfavourable trend in the stock market quotations of the Unicredit stock on the MTA (unit price at 30 June 2011 equal to 1.46 euro compared to the price at 31 December 2010 of 1.55 euros). We mention that the value of the Unicredit stock, after 30 June 2011, underwent a significant downturn in line with the national and international market trend and towards the difficult economical and financial reference context. If the fair value should drop stably below the purchase value, an impairment test would be necessary that, if there were a permanent reduction of activity value, would require registering this drop in value among the cost components.

- F6 -	AMOUNTS DUE FROM THE TAX AUTHORITIES	38,579
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Current and non-current amounts due from tax authorities total 38,579 thousand euros and are as follows:

- Non-current portion

In thousands of euros		
	Balance at 30.06.2011	Balance at 31.12.2010
Amounts due from the tax authorities for VAT	717	515
Amounts due from the tax authorities for income tax	3,137	3,137
Other amounts due from the tax authorities	117	317
TOTAL	3,971	3,969

It should be reminded that Immsi S.p.A. has outstanding fiscal consolidated contracts with the subsidiary companies Piaggio & C. S.p.A., Apuliae S.p.A., Rodriguez Cantieri Navali S.p.A., Intermarine S.p.A., RCN Finanziaria S.p.A., ISM Investimenti S.p.A. and, since 2011, Pietra S.r.l., under which the Parent Company, as the consolidating company, has registered in its own

financial statements receivables from the tax authorities for non-current taxes, related to withholdings suffered and IRES advance payments made, transferred from the companies included in the national fiscal consolidation, for 2,922 thousand euros, whose use is supposed to be following the current year in the light of the expected industrial plans.

- Current portion

In thousands of euros		
	Balance at 30.06.2011	Balance at 31.12.2010
Amounts due from the tax authorities for VAT	30,126	42,696
Amounts due from the tax authorities for income tax	1,921	2,691
Other amounts due from the tax authorities	2,561	2,952
TOTAL	34,608	48,339

Amounts due from tax authorities within 12 months mainly refer to VAT receivables of the Piaggio group.

- F7 - DEFERRED TAX ASSETS 74,877

At 30 June 2011 the Group registered net taxes paid in advance for 74,877 thousand euros of which 4,172 thousand euros with expiration within 12 months and 70,705 thousand euros with expiration beyond 12 months.

The Piaggio group has recognised 44,721 thousand euros of deferred tax assets compared to 46,294 thousand euros recorded at 31 December 2010, referring mainly to the cancellation of capital gains between companies not made with third parties, to deferred tax assets on fiscal losses of Piaggio & C. S.p.A. and Nacional Motor S.A., as well as to deferred tax assets on temporary differences of Piaggio & C. S.p.A..

The deferred tax assets accrued by the Rodriguez group and by Is Molas S.p.A. total 19,048 thousand euros and 7,290 thousand euros respectively, and are calculated mainly on a portion of the tax losses suffered in previous years by group companies and on the asset timing differences.

As regards the measurements to define the deferred tax assets, the Group mainly took account of:

- the tax regulations in the various countries in which it operates, their impact in terms of timing differences and any tax benefits deriving from the use of prior tax losses in consideration of their falling due;
- the expected financial results in the medium term for each individual company and of the economic and tax repercussions of the implementation of the reorganisation, mainly referable to the Piaggio group.

In view of the above considerations and also for the sake of prudence, the tax benefits deriving from the losses carried forward and from temporary differences were not fully recognised.

- F8 - TRADE RECEIVABLES AND OTHER RECEIVABLES 453,883

- Non-current portion

Trade receivables and other receivables included under non-current assets total 16,516 thousand euros against 15,741 thousand euros at 31 December 2010 and are detailed below:

In thousands of euros		
	Balance at 30.06.2011	Balance at 31.12.2010
Trade receivables	1	0
Receivables from subsidiaries	138	138
Receivables from associated companies	306	305
Other receivables	16,071	15,298
TOTAL	16,516	15,741

This item includes trade receivables falling due beyond 12 months fully offset for 1,203 thousand euros.

Among the receivables from subsidiaries not entirely consolidated but evaluated with the equity method are 138 thousand euros due from Aprilia World Service Holding do Brasil Ltda., while the payables due from associated companies refer to payables claimed by the Fondazione Piaggio for 306 thousand euros.

Among the other non-current receivables, there are mainly 2,810 thousand euros receivables connected to hedging instruments, 807 thousand euros of guarantee deposits and 9,684 thousand euros of deferred charges.

- Current portion

Trade receivables and other receivables included under current assets are as follows:

In thousands of euros		
	Balance at 30.06.2011	Balance at 31.12.2010
Trade receivables	245,703	115,394
Receivables from associated companies	644	1,259
Receivables from joint ventures	2,285	2,332
Other receivables	188,735	200,161
TOTAL	437,367	319,146

The "Trade receivables" item comprises amounts due from normal sales transactions, stated net of a bad debt reserve of 35,098 thousand euros, which at 30 June 2011 shows an increase of 1,599 thousand euros compared to 31 December 2010.

As already remembered, the growth in the value of this item in the financial statements is mainly tied to the phenomenon of the seasonality of the sales made by the Piaggio group, particularly concentrated in the spring and summer months.

The balance of receivables from associated companies refers mainly to receivables for 581 thousand euros from the Consorzio CTMI, while the receivables from joint ventures (equal to 2,285 thousand euros at 30 June 2011) refer to credits with Piaggio Foshan Motorcycle Co. LTD.

Moreover, it should be reminded that the Piaggio group revolvingly transfers a large portion of its trade receivables with the pro-soluto and pro-solvendo clause. The contractual structure that the group formalized with major Italian and foreign factoring companies essentially reflects the need to optimize the monitoring and management of the credit as well as offering its customers an instrument for financing their own warehouse. At 30 June 2011 the "pro-soluto" sold trade receivables not yet expired altogether amount to 193,998 thousand euros, on which the Piaggio group received the consideration before the natural expiration of the credit for 104,747 thousand euros. At 30 June 2011, the pro-solvendo receivables sold both to factoring companies and banks amount to 29,587 thousand euros and are offset in the current liabilities.

The contract works in progress, whose balance is included among the Other Receivables, are reported net of the advances received from customers for 229,626 thousand euros and they refer entirely to the naval sector.

The composition of the works in progress is detailed as follows:

In thousands of euros				
	Balance at 31.12.2010	Increases	Decreases	Balance at 30.06.2011
Contract work in progress gross of advances	346,880	19,075	0	365,955
Contractual advances received from customers	205,611			229,626
Contract work in progress net of advances	141,269			136,329
Costs incurred	297,978			315,527
Margins recorded (net of losses)	48,902			50,428

Furthermore, it is noted that mortgages are recorded in favour of banks on constructions of Rodriquez Cantieri Navali S.p.A. for the Oman contract totalling 31.5 million US dollars.

“Other receivables” include accrued income and prepaid expenses of 7,625 thousand euros, advances to suppliers for 31,871 thousand euros, advance payments to employees for 630 thousand euros, and receivables from Social Security institutes for 128 thousand euros.

- F9 -	ASSETS INTENDED FOR DISPOSAL	22,147
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The net book value of the assets intended for sale recorded by the Rodriquez group amounts to 22,147 thousand euros and it refers to the property of Pietra Ligure acquired at the public auction of the State in the month of December 2007 for a total of 19.1 million euros and accounted in the buildings destined to be dismissed in relation to the contracts and obligations undersigned by Rodriquez Cantieri Navali S.p.A..

- F10 -	INVENTORIES	328,532
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Inventories are measured at the lower of cost and market value and total 328,532 thousand euros at the year end and comprise:

In thousands of euros	Balance at 30.06.2011			Balance at 31.12.2010		
	Cost	Write-down	Net	Cost	Write-down	Net
Consumables	33	0	33	34	0	34
Raw materials	133,666	(14,671)	118,995	108,526	(15,032)	93,494
Work in progress and semi-finished products	73,765	(852)	72,913	80,225	(852)	79,373
Finished products	163,371	(26,780)	136,591	169,147	(31,773)	137,374
TOTAL	370,835	(42,303)	328,532	357,932	(47,657)	310,275

The above write-downs were necessary for the presence of raw materials no longer usable in the production process and obsolete or slow-moving finished products and goods.

At 30 June 2011, the Piaggio group recognises, net of write-downs, inventories for 257,614 thousand euros referred to components, accessories and vehicles. The growth compared to 31 December 2010 is due the seasonality of the production cycle.

The Rodriquez group contributes 48,279 thousand euros, mainly raw materials and semi-finished products and contract work in progress as well as internal construction and repairs.

Finally, Is Molas S.p.A. records 22,639 thousand euros of inventories at the end of the half-year period relating to the hotel business, as well as work in progress and semi-finished products represented by land, volumes, costs for services and consultancy for the property development project relating to the allotment located in Is Molas - Cagliari.

- F11 - CASH AND CASH EQUIVALENTS**158,819**

Cash and cash equivalents at the year end total 158,819 thousand euros against 190,604 thousand euros at 31 December 2010, as detailed in the table below:

In thousands of euros	<i>Balance at 30.06.2011</i>	<i>Balance at 31.12.2010</i>
Cheques	1	2
Cash and cash equivalents	163	440
Securities	14,159	39,799
Amounts due from banks within 90 days	144,496	150,363
TOTAL	158,819	190,604

This item covers cash, current bank accounts, deposits refundable on demand and other short-term high-liquidity financial investments readily convertible into cash and subject to an insignificant risk of variation in value.

Cash and cash equivalents are primarily in the Piaggio group (approximately 129 million euros), Immsi S.p.A. (approximately 26.6 million euros) and the Rodriguez group (approximately 2.9 million euros) and are earmarked to finance the medium-term indebtedness and the instalments of the financings falling due as well as to support the investments programmed by the Group.

- G - INFORMATION ON THE MAIN LIABILITIES ITEMS

Amounts are stated in thousands of euros unless otherwise indicated.

- G1 -	SHAREHOLDERS' EQUITY	631,738
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Shareholders' equity at 30 June 2011 stands at 631,738 thousand euros, of which 415,822 thousand euros being consolidated Group shareholders' equity and 215,916 thousand euros referring to non-controlling interest capital and reserves.

Share capital

At 30 June 2011, the share capital of Immsi S.p.A., fully subscribed and paid up, comprises n. 343,200,000 ordinary shares of nominal value 0.52 euros each, for a total of 178,464,000.00 euros.

It is noted that at 30 June 2011 the company held 2,670,000 shares of treasury stock, purchased on the stock market during 2008, at an average price of 0.7784 euros. In conformity with the provisions of the applicable international standards, the nominal value of the purchases of treasury stock, equal to 1,388 thousand euros, has been carried to direct deduction from the share capital.

The Ordinary Shareholders' Meeting of Immsi S.p.A., held on 10 May 2011, furthermore approved a plan to purchase and dispose treasury stock of the company, since authorisation expired on 29 October 2010 for completing operations on own stock conferred by the Ordinary Shareholders' Meeting of Immsi on 29 April 2009. The deliberation was aimed at giving the company a useful strategic investment opportunity for the purposes allowed by legislation regarding such matters, including the finalities as per the customs of the market permitted by Consob in accordance with art. 180, paragraph 1, lett. c) of the TUF with deliberation no. 16839 dated 19 March 2009 and in EC regulation no. 2273/2003 of 22 December 2003, as well as for proceeding to purchase own shares according to their subsequent annulment.

The Board of Directors of Immsi S.p.A. held on 10 May 2011 – following authorisation for purchase and disposal of own actions deliberated by the afore mentioned company shareholders meeting – deliberated a programme to purchase and dispose treasury stocks as permitted by Consob in accordance with art. 180, paragraph 1, lett. c) of the TUF with deliberation no. 16839 dated 19 March 2009 and in the EC regulation no. 2273/2003 of 22 December 2003. In particular, the aim of the purchase programme will be the constitution of a "securities portfolio" to be used for executing any future investment operations to be made through exchange, trade, conferment, transfer or other act of disposing of own shares, including the obligation to guarantee the Company's financial operations.

Each ordinary share entitles the holder to a proportionate part of distributable profits and of the shareholders' equity resulting from any liquidation, as well as to unlimited voting rights.

Legal reserve

The legal reserve comprises reserves allocated following the distribution of profits of Immsi S.p.A. from the year 2000 to the year 2010, in accordance with the provisions of law and totals 5,696 thousand euros at the end of June 2011.

Other reserves

This item totals 187,701 thousand euros. The share premium reserve includes the consideration of

the shares underwritten following the increase in share capital of Immsi S.p.A. in 2005 and 2006 for an overall amount of 95,216 thousand euros.

Other reserves also include the reserve generated from the Group's transition to international accounting standards as of 1 January 2004, equal to 5,300 thousand euros at the end of June 2011 and unchanged compared to 31 December 2010, details of which are in the Report to the Financial Statements at 31 December 2005, also available on the www.immsi.it website – and the reserve for evaluation at fair value of property investments in Immsi S.p.A. for 41,171 thousand euros.

The stock option reserve amounts to 6,257 thousand euros while the reserve allocated to the evaluation of the financial instruments is equal to 1,519 thousand euros, a decrease compared to 31 December 2010 mainly due to the decrease in the fair value of the 9,294,879 Unicredit shares held by the Parent Company.

The details of the item “Other reserves” are shown below:

In thousands of euros										
	Extraordinary reserve	Share premium reserve / share capital increase	IAS transition reserve	Reserves as per Law 413/91	Legal reserves	Translation reserve	Stock Option reserve	Financial instrument measurement reserve	Other reserves	Total other reserves
Balances at 31 December 2010	7,103	95,216	5,300	4,602	1,153	(1,007)	5,811	2,928	71,565	192,671
Other changes							446		0	446
Overall earnings for the period						(4,007)		(1,409)		(5,416)
Balances at 30 June 2011	7,103	95,216	5,300	4,602	1,153	(5,014)	6,257	1,519	71,565	187,701

Retained earnings

The earnings carried forward total 37,134 thousand euros and refer to cumulative Group earnings.

Non-controlling interest capital and reserves

At 30 June 2011 the balance of share capital and reserves attributable to third party shareholders totals 215,916 thousand euros, a 5,211 thousand euros decrease compared to 31 December 2010, mainly after the earnings of the period and after the distribution of dividends to minority shareholders of companies in the Group for 11.9 million euros.

- G2 -	FINANCIAL LIABILITIES	856,717
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Financial liabilities total 856,717 thousand euros at 30 June 2011. The part recorded under non-current liabilities amounts to 454,147 thousand euros, against 476,165 at 31 December 2010, while the part included among current liabilities totals 402,570 thousand euros, a 3,213 thousand euros increase compared to the year end 2010.

The attached tables summarise the financial liabilities by type of financial debt:

- Non-current portion

In thousands of euros		
	Balance at 30.06.2011	Balance at 31.12.2010
Bonds	139,704	139,007
Amounts due to bank	270,538	292,286
Amounts due under finance leases	7,222	7,471
Amounts due to other lenders	36,683	37,401
TOTAL	454,147	476,165

- Current portion

In thousands of euros		
	Balance at 30.06.2011	Balance at 31.12.2010
Amounts due to bank	367,787	370,899
Amounts due under finance leases	875	791
Amounts due to subsidiaries	94	92
Amounts due to other lenders	33,814	27,575
TOTAL	402,570	399,357

The composition of the debt is the following:

In thousands of euros				
	Balance at 30.06.2011	Balance at 31.12.2010	Nominal value at 30.06.2011	Nominal value at 31.12.2010
Bonds	139,704	139,007	150,000	150,000
Amounts due to bank	638,325	663,185	640,062	665,180
Amounts due under finance leases	8,097	8,262	8,097	8,262
Amounts due to subsidiaries	94	92	94	92
Amounts due to other lenders	70,497	64,976	70,497	64,976
TOTAL	856,717	875,522	868,750	888,510

The following prospectus shows the reimbursement plan for the debt at 30 June 2011 of the Immsi Group:

In thousands of euros							
	Nominal value at 30.06.2011	Portions falling due within 12 months	Portions falling due within the 1st half of 2013	Portions falling due within the 1st half of 2014	Portions falling due within the 1st half of 2015	Portions falling due within the 1st half of 2016	Portions falling due beyond
Bonds	150,000	0	0	0	0	0	150,000
Amounts due to bank	640,062	368,650	131,731	54,617	31,178	31,210	22,676
Amounts due under finance leases	8,097	875	915	957	5,350	0	0
Amounts due to subsidiaries	94	94	0	0	0	0	0
Amounts due to other lenders	70,497	39,814	3,876	1,627	8,975	978	15,227
TOTAL	868,750	409,433	136,522	57,201	45,503	32,188	187,903

The following table analyzes the financial debt by currency and interest rate:

In thousands of euros				
	Balance at 31.12.2010	Balance at 30.06.2011	Nominal value at 30.06.2011	Interest rate at 30.06.2011
Euro	822,328	814,271	826,047	3.89%
Vietnamese Dong	7,158	2,670	2,670	19.30%
Japanese Yen	2,918	2,676	2,676	1.40%
Swiss Franc	3,597	0	0	n/a
Indian Rupee	0	19,056	19,313	6.69%
Indonesian Rupiah	0	124	124	7.67%
US Dollar	39,521	17,920	17,920	1.79%
TOTAL	875,522	856,717	868,750	3.95%

Amounts due to banks mainly include the following loans:

Immsi S.p.A.

- a 40.3 million euros loan (residual nominal value 40.9 million euros) granted by the pool of banking firms composed of Banca Popolare di Lodi, Efibanca and Cassa di Risparmio di Lucca Pisa Livorno at a rate equal to the 6-month Euribor increased by 2.35% maturing June 2019 and the reimbursement in 18 constant half-yearly instalments beginning 31 December 2010. At the same time as starting the financing the company stipulated with Banca Aletti and Efibanca a contract to hedge the variable rate with a fixed rate equal to 2.41% on 75% of the nominal value of the loan. The loan, which is secured by a 92 million euros mortgage on the building in via Abruzzi, 25 – Rome and by a bonded securities deposit in which there must always be Piaggio shares for an amount equal to at least 10 million euros, envisages two covenants (complied with at the date of this Report) to be calculated in relation to the ratio between financial liabilities and shareholders' equity, and to the ratio between rental instalments and interest on the loan itself;
- Bullet – Multi Borrower financing granted by Intesa Sanpaolo for a total of 70 million euros, with maturity at December 2011, and variable reference rate equal to Euribor increased by 1.75%, of which 25 million euros granted to Immsi, 30 million euros disbursed to ISM Investimenti and 15 million euros disbursed to Rodriquez Cantieri Navali. This financing is guaranteed by the lien on 45 million Piaggio & C. S.p.A. shares;
- revolving credit line granted by the bank Monte dei Paschi di Siena for a total of 30 million euros, used at 30 June 2011 for 20 million euros and entered in the balance sheet for a value of 19.8 million euros based on the principle of amortised cost. The line, expiring at April 2014 and rate of reference equal to the variable Euribor increased by 2.75%, is guaranteed by the lien on 16.8 million Piaggio & C. S.p.A. shares and envisages meeting a covenant regarding the minimum Immsi Group shareholders' equity (complied with at the date of this Report);
- revolving credit line granted by Banca Popolare di Lodi for 20 million euros, of which 16 million used at 30 June 2011, guaranteed by 10.6 million Piaggio & C. S.p.A. shares expiring at May 2012 and a rate of reference equal to the variable Euribor increased by 2%;
- loan granted by Meliorbanca for nominal value 15 million euros (fully used) and entered in the balance sheet at 30 June 2011 for 14.8 million euros (based on the principle of the amortized cost), falling due in December 2012, at the variable reference rate equal to the three-month Euribor increased by 1.80%. The credit line is guaranteed by the lien on 9.4 million Piaggio & C. S.p.A. shares, and it envisages two covenants (complied with at the date of this Report), to be calculated from the ratio between net financial position/EBITDA and net financial position/shareholders' equity at Immsi Group level;
- contract of stock loan from Immsi S.p.A. to Banca Akros that, with the loan of 9,290,000 Unicredit shares, requires delivery by the intermediary of cash collateral for an amount of approximately 12.5 million euros represented by the market value of the stock at the date of

subscription net of a spread that absorbs any downward swing of the stock. The contract, with expiration at revocation, requires a fee equal to 0.05% and negative interest equal to EONIA increased by 1.05%, calculated on the cash collateral disbursed from Banca Akros;

- revolving credit line granted by Unicredit for 25 million euros, used for 17 million euros at 30 June 2011 and rate of reference equal to the one-month Euribor increased by 1.75%;
- revolving credit line for an amount of 25 million euros, granted by Intesa Sanpaolo and used entirely at 30 June 2011, with rate of reference equal to the three-month Euribor increased by 2.10% spread, and expiring at the end of December 2012.

Piaggio group

- a 107,143 thousand euros medium-term loan from the European Investment Bank to finance Research & Development investments planned for the period 2009-2012. The loan will fall due in February 2016 and has an initial amortization quota of 14 six-monthly instalments to be repaid at a variable rate equal to the six-month Euribor plus a spread of 1.323%. The contractual terms envisage loan covenants but exclude guarantees. It should be noted that, in reference to the 2010 period, these parameters were comfortably met;
- a 89,585 thousand euros (par value 90,000 thousand euros) medium-term loan from a pool of banks granted in July 2009 to Piaggio & C. S.p.A. by Banca Nazionale del Lavoro as banking agent and paid in August 2009. The loan will fall due in August 2012, with an initial grace period of 18 months and three six-monthly instalments. The economic terms provide for a variable interest rate linked to the six-month Euribor rate plus an initial margin of 1.90%. This margin may vary from a minimum of 1.65% to a maximum of 2.20% based on the Net financial debt / Ebitda ratio (as of 30 June 2011 this margin was equal to 1.90%). Guarantees are not issued. However in line with market practice, some financial parameters must be complied with. It should be noted that, in reference to the first half of 2011, these parameters were comfortably met;
- 28,358 thousand euros (par value 28,500 thousand euros) loan to Piaggio & C. S.p.A. from Mediobanca and Banca Intesa San Paolo. In April 2006, this loan was syndicated to a restricted pool of banks and is part of a more articulated loan package. The loan package consisted of an initial instalment of 150,000 thousand euros (nominal value) which has been fully drawn on (as of 30 June 2011 28,500 thousand euros was still due) and a second instalment of 100,000 thousand euros to be used as a credit line (as of 30 June 2011 still not used). The structure envisages a 7-year term, with a grace period of 18 months and 11 six-monthly instalments with the last maturity on 23 December 2012 for the loan instalment, a variable interest rate linked to the six-month Euribor rate to which a variable spread between a maximum of 2.10% and a minimum of 0.65% is added depending on the Net Financial Debt/EBITDA ratio (as of 30 June 2011 this margin was equal to 1.15%). For the instalment relating to the credit line there is a commitment fee of 0.25%. Guarantees are not issued. However in line with market practice, some financial parameters must be complied with. It should be noted that, in reference to the first half of 2011, these parameters were comfortably met;
- a 15,625 thousand euros five-year unsecured loan from Interbanca to Piaggio & C. S.p.A. entered into in September 2008;
- 12,848 thousand euros (nominal amount of 13,105 thousand euros equal to 19,000 thousand USD) medium-term loan from International Finance Corporation (a World Bank member) to the subsidiary Piaggio Vehicles Private Limited on which interest matures at a variable rate plus a margin of 2.55%. The loan will fall due on 15 January 2018 and has an amortization quota of six-monthly instalments from January 2014. A guarantee has been provided by Piaggio & C. S.p.A. and, in line with market practice, some financial parameters must be met. It should be noted that, with reference to the first half of 2011, these parameters were comfortably met;

- 2,691 thousand euros as a non-interest bearing loan originally granted by Banca Antonveneta to a subsidiary of the Aprilia group following the acquisition charged to Piaggio & C. S.p.A.; the lump sum due date is in 2011;
- a 2,901 thousand euros subsidised loan from Intesa San Paolo under Law 346/88 regarding applied research;
- a 1,145 thousand euros subsidised loan from Banca Intesa San Paolo under Law 346/88 regarding applied research;
- a 1,500 thousand euros eight-year subsidised loan from ICCREA in December 2008 granted under Law 100/90 and linked to the SIMEST equity investment in the Vietnamese company;
- a 491 thousand euros loan from Interbanca in accordance with Law 346/88 regarding subsidies for applied research, secured by a mortgage lien on property.

RCN group

- loan financing facilities with Intesa Sanpaolo for a total of approx. 82 million euros (15 million used at 30 June 2011 by the parent company Rodriquez Cantieri Navali S.p.A. and 64 million euros by the subsidiary Intermarine S.p.A.), inclusive of the share (equal to 15 million euros) of the Bullet – Multi Borrower financing granted by Intesa Sanpaolo to the Immsi Group companies, among them Rodriquez Cantieri Navali S.p.A.;
- seven-year loan agreement with Banca Popolare Italiana for the initial sum of 8 million euros, backed by a 16 million-euro mortgage on the Intermarine building in Sarzana, and with the first capital repayment instalment due 24 months after disbursement. The loan still outstanding at 30 June 2011 amounted to 4.5 million euros. The loan is covered by a rate hedge agreement for the whole amount, which converts the variable rate into a fixed rate for the duration of the loan agreement. The rate has been set at 4.20% plus a 130-basis point spread;
- overdraft facilities for advancing on contracts for total 33.3 million euros used at 30 June 2011.

Is Molas S.p.A.

- loan granted by Monte dei Paschi di Siena to Is Molas S.p.A., with validity till revocation and usable for cash, for a total of 20 million euros equal to the actual debt for capital, interest and accessory burdens accrued and payable;
- financing of 5 million euros granted by Banca Popolare di Lodi to Is Molas S.p.A., assisted by a 1st degree mortgage on the “Le Ginestre” real estate complex for a duration of 7 years, stipulated on 26 November 2009; the terms of the mortgage require 2 years of preammortization at the Euribor three months rate increased by a spread of 2.25% repayable in deferred quarterly instalments. With reference to this financing a contract has been stipulated to hedge the rate, from variable to fixed-interest rate, falling due in 2012.

The item Bonds (net book value of 139,704 thousand euros) refers to the high yield debenture loan issued on 4 December 2009 by Piaggio & C. S.p.A., for a par value of 150,000 thousand euros, maturing on 1 December 2016 with a semi-annual coupon with fixed annual nominal rate of 7%. The Standard & Poor's and Moody's rating agencies confirmed BB and Ba2 ratings respectively in 2010, both revising the outlook upwards from negative to stable.

Payables for financial leasing refer mainly to leases granted by Unicredit Leasing to Moto Guzzi S.p.A. (merged by incorporation in Piaggio & C. S.p.A.) for 8,097 thousand euros.

Overall, amounts due to other lenders are equal to 70,497 thousand euros (36,683 thousand euros beyond one year and 33,814 thousand euros for the current portion), as detailed below:

- subsidized loans granted to Piaggio group totalling 13,294 thousand euros granted by the Ministry of Economic Development and by the Ministry of University and research pursuant to legislation to encourage exports and investment in research and development (non-current portion equal to 9,067 thousand euros);
- advances from factoring operations on pro-solvendo transfer of trade receivables equal to 29,587 thousand euros related to the Piaggio group;
- two non-current shareholder loans respectively of 6 and 7.3 million euros by Intesa Sanpaolo (shareholder of the company) to RCN Finanziaria S.p.A. convertible into shares;
- shareholder financing for 14.3 million euros with duration equal to 10 years acknowledged by IMI Investimenti S.p.A. (Intesa Sanpaolo group) to ISM Investimenti S.p.A..

- G3 -	TRADE PAYABLES AND OTHER PAYABLES	710,016
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Trade payables and other payables total 710,016 thousand euros, of which 705,335 thousand euros falling due within one year, detailed below:

In thousands of euros		
	<i>Balance at 30.06.2011</i>	<i>Balance at 31.12.2010</i>
Trade payables	584,424	493,382
Amounts due to subsidiaries	6	21
Amounts due to associated companies	21,079	12,061
Other payables	99,826	89,981
TOTAL	705,335	595,445

The "Other current payables" item is detailed below:

In thousands of euros		
	<i>Balance at 30.06.2011</i>	<i>Balance at 31.12.2010</i>
Amounts due to employees	40,206	29,009
Liabilities connected to hedging instruments	0	63
Advances from customers	910	812
Amounts due to partners and shareholders	3	3
Amounts due for guarantee deposits	1,052	1,034
Amounts due to company boards	412	196
Amounts due to social security institutions	7,735	11,547
Other amounts due to third parties	1,398	1,640
Other amounts due to associated companies	30	25
Accrued expenses	870	134
Deferred income	7,710	8,250
Other payables	39,500	37,268
TOTAL	99,826	89,981

Amounts due to employees include holidays accrued and not used, and other amounts to be paid. Current trade payables with related parties at 30 June 2011, equal to 21,675 thousand euros, mainly refer to purchases from Zongshen Piaggio Foshan Motorcycle Co. LTD.

- G4 -	RESERVES FOR SEVERANCE INDEMNITY AND SIMILAR OBLIGATIONS	59,412
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The reserve for pension and similar obligations amounts to 59,412 thousand euros at 30 June 2011. The reserve is detailed below:

In thousands of euros					
	Balance at 31.12.2010	Provisions	Applications	Other movements	Balance at 30.06.2011
Employees' severance indemnity reserves	58,062	4,876	(9,312)	100	53,726
Other reserves	5,192	1,051	(557)	0	5,686
TOTAL	63,254	5,927	(9,869)	100	59,412

The Other funds are composed of the funds for personnel set aside by the foreign companies and the supplementary indemnity fund for customers, that represents the indemnities owing to the agents of the Piaggio group in case of the agency contract winding up due to events not ascribable to them. The uses refer to the liquidation of indemnities already set aside in preceding years while the allocations correspond to the indemnities matured in the period.

- G5 -	OTHER LONG-TERM RESERVES	41,185
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The balance of other long-term reserves, including the portion falling due within 12 months, totals 41,185 thousand euros at the end of June 2011, a 7,390 thousand euros decrease compared to 31 December 2010.

The other reserves recognised in the financial statements are detailed below:

In thousands of euros						
	Balance at 31.12.2010	Provisions	Applications	Other movements	Balance at 30.06.2011	Of which current portion
Product warranty reserve	20,654	5,820	(6,298)	18	20,194	13,934
Reserve for risks on equity investments	237	0	0	0	237	42
Contractual risks reserve	8,182	0	(3,247)	0	4,935	518
Other provisions for risks and charges	19,502	1,084	(4,545)	(222)	15,819	10,866
TOTAL	48,575	6,904	(14,090)	(204)	41,185	25,360

The product warranty reserve relates to provisions made by the Piaggio group for 16,512 thousand euros and by Rodriquez for 3,682 thousand euros, for technical support for products that are estimated to be carried out in the contractual warranty period. As regards the forecasts made by the Piaggio group, this period varies according to the type of goods sold and the market, and is also determined by the customer take-up to commit to planned maintenance. The Rodriquez group allocates this reserve for maintenance under guarantee to be carried out in the future years on naval vessels under construction delivered during the first half of 2011 and/or in previous years, assessed on the basis of the estimate of costs incurred in the past for similar vessels.

The provision for contractual risks refers largely to burdens that could derive from the negotiation of a supply contract in progress by the Piaggio group. Other provisions for risks and charges particularly comprise the provision for legal risks set aside by the Piaggio group for 4,505 thousand euros.

The risk funds on participations covers prevalently the portion of the negative shareholder's equity of the subsidiaries Piaggio China Co Ltd. and Aprilia World Service Holding do Brasil Ltda., as well as the charges that could derive from this.

- G6 -	DEFERRED TAX LIABILITIES	51,493
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The "Deferred tax liabilities" item refers to tax payables provisioned by the individual companies on the basis of applicable national laws. The balance is offset by 5,790 thousand euros of deferred tax assets, consistent by due date and by nature. Deferred tax liabilities are mainly recorded by the

Piaggio group for 29.8 million euros, by the Parent company Immsi S.p.A. - that has registered about 20.2 million euros of net deferred tax liabilities at 30 June 2011 mainly for the evaluation at fair value of the real estate investment in Rome – and by the Rodriguez group that has registered deferred tax liabilities for around 1.5 million euros.

- G7 -	CURRENT TAXATION	40,572
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The “Current taxation” item, which includes tax payables allocated in relation to tax charges referring to individual companies on the basis of applicable national laws, increases by 16,300 thousand euros compared to the year end of 2010, and it results as follows:

In thousands of euros		
	<i>Balance at 30.06.2011</i>	<i>Balance at 31.12.2010</i>
Amounts due for income tax	18,194	4,207
VAT payables	11,743	5,713
Amounts due for withholding tax	4,671	7,182
Other payables	5,964	7,170
TOTAL	40,572	24,272

Amounts due for income tax and VAT payables refer mainly to the Piaggio group.

Amounts due for withholding tax are mainly recorded against withholdings on salaries, on termination payments and self-employed income.

The item Other Payables also includes – for the sum of 2,501 thousand euros – the payables relating to the objections raised by the Agenzia delle Entrate [*i.e.*, Italian Inland Revenue]. to the withholding taxes on the bond issued by Piaggio Finance and reimbursed in 2009, full details of which are given in the paragraph on *Disputes in Progress* to be found in the Directors’ Report on Operations at 31 December 2010.

Finally, it is noted that the Parent Company has an outstanding national fiscal consolidated contract with the subsidiaries Piaggio & C. S.p.A., Apuliae S.p.A., Rodriguez Cantieri Navali S.p.A., Intermarine S.p.A., RCN Finanziaria S.p.A., ISM Investimenti S.p.A. and, since 2011, Pietra S.r.l.: therefore the payables, advance payments and withholdings suffered were transferred at the end of the year to the fiscal consolidated company. Immsi S.p.A., as the consolidating company, has reported in its own financial statements both the amount due to the companies transferring fiscal losses and tax credits and the amount due to companies transferring a taxable amount (cancelled in the consolidated financial statement) set off respectively against the credit or the cumulative payables with the tax authorities.

- H - INFORMATION ON THE MAIN INCOME STATEMENT ITEMS

Amounts are stated in thousands of euros unless otherwise indicated.

Before analysing the individual item, it is pointed out that the general information on costs and revenues is contained in the Interim Management Report on operations, in accordance with art.2428 of the Italian civil code.

- H1 - NET REVENUES 878,680

The revenues from sales and services at 30 June 2011 of the Immsi Group total 878,680 thousand euros, of which 830,012 thousand euros attributable to the industrial sector, 46,446 thousand euros to the naval sector and the balance to the property and holding sector (2,222 thousand euros).

This item is stated net of premiums given to the customers of the Piaggio group (dealers) and it does not include transport costs recharged to customers and the recovery of advertising costs invoiced, which are shown under other operating income. Moreover, revenues do not include recharges for condominium fees, offset with the related costs incurred by the Parent Company.

Below is a division of the revenues by business sectors and by geographical area of destination, that is, referring to the nationality of the customer.

By business sector

In thousands of euros	First half of 2011		First half of 2010	
	Amount	%	Amount	%
Property and holding sector	2,222	0.3%	2,712	0.3%
Industrial sector (Piaggio group)	830,012	94.5%	820,819	94.4%
of which Two-Wheeler business	578,682	65.9%	581,996	66.9%
of which Commercial Vehicle business	251,330	28.6%	238,823	27.5%
Naval sector (Rodríguez group)	46,446	5.3%	46,003	5.3%
TOTAL	878,680	100.0%	869,534	100.0%

By geographical area

In thousands of euros	First half of 2011		First half of 2010	
	Amount	%	Amount	%
Italy	243,726	27.7%	263,360	30.3%
Other European countries	345,998	39.4%	348,866	40.1%
Rest of the World	288,956	32.9%	257,308	29.6%
TOTAL	878,680	100.0%	869,534	100.0%

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.

- H2 - COSTS FOR MATERIALS**514,519**

Costs for materials total 514,519 thousand euros, compared to 494,379 thousand euros of the same period in the previous year: this item does not include the recharged costs for an equal amount to customers and the costs relating to assets intended for sale, recorded separately in the specific Income statement item.

The increment of Costs for materials is mainly ascribable to the Piaggio group, relative to the fact that the percentage of costs accounting for net revenues went up, from 57.9% in the first half of 2010 to 59.3% in the current period, due to the greater impact of total production on commercial vehicles, particularly those for the Indian market, where the percentage accounting for turnover was higher than the group average, considering that engines are currently sourced from external suppliers and the lower impact of manpower.

The table below details the contents of the item:

In thousands of euros		
	<i>First half of 2011</i>	<i>First half of 2010</i>
Change in inventories of finished products, work in progress and semi-finished products	4,234	(225)
Change in capitalised piecework	(91)	(304)
Purchase of raw materials and consumables	535,454	511,820
Change in raw materials and consumables	(25,078)	(16,912)
TOTAL	514,519	494,379

This item includes the costs relating to purchases of scooters from the Chinese subsidiary Zongshen Piaggio Foshan Motorcycle Co. LTD., that are marketed on the European and Asian markets, for an overall amount of 20,751 thousand euros. These transactions are detailed in Related Party dealings.

- H3 - COSTS FOR SERVICES AND THE USE OF THIRD PARTY ASSETS**162,199**

Costs for services and use of third party assets total 162,199 thousand euros and are detailed in the table below:

In thousands of euros		
	<i>First half of 2011</i>	<i>First half of 2010</i>
Transport costs	23,827	25,051
Product warranty costs	10,571	6,656
Advertising and promotion	18,635	19,373
Work performed by third parties	28,098	24,455
External maintenance and cleaning costs	4,342	4,806
Personnel costs	9,852	9,718
Technical, legal, tax, administrative consultancy, etc.	16,351	18,859
Promotional activities and materials	3	0
Sundry commercial expenses	8,748	9,768
Energy, telephone, postage costs, etc.	10,848	10,389
Services provided	649	435
Insurance	2,789	2,752
Cost of company boards	2,601	3,102
Sales commissions	538	661
Part-time staff and staff of other companies	149	110
Accessory purchase costs	2	2
Other costs	15,635	17,387
TOTAL COSTS FOR SERVICES	153,638	153,524

Rental instalments of business property	3,271	3,153
Rental instalments for cars, office machines, etc.	225	280
Operating lease instalments for plant and machinery	0	48
Other instalments	5,065	4,376
TOTAL COSTS FOR USE OF THIRD PARTY ASSETS	8,561	7,857
TOTAL COSTS FOR SERVICES AND USE OF THIRD PARTY ASSETS	162,199	161,381

The costs for services and the use of third parties assets are up by 818 thousand euros compared to the same period of the preceding year and it is prevalently referable to the Piaggio group following the increase in costs for product guarantees, which in any case has partially been compensated by decreased appropriations made during the half-year period.

- H4 - PERSONNEL COSTS 143,575

Personnel costs comprise the following:

In thousands of euros		
	First half of 2011	First half of 2010
Salaries and wages	107,529	103,215
Social security costs	28,978	27,742
Employee leaving indemnity	4,876	7,232
Pension and similar obligations	1,051	456
Stock options	829	1,381
Other costs	312	2,238
TOTAL	143,575	142,264

The table below shows the average number of employees by category. For more details on personnel, refer to the specific paragraph in the Report on operations:

	First half of 2011	First half of 2010
Senior managers	119	129
Middle managers and employees	2,774	2,744
Manual workers	5,193	5,161
TOTAL	8,086	8,034

In the first half of 2011 the cost of personnel increased by approximately 1.3 million euros (+0.9%) compared to the corresponding period of the preceding year, mainly due to the growth in the average work force employed in the period by the Piaggio group. Furthermore, it is pointed out that within the sphere of the cost of personnel concerning the Piaggio group 829 thousand euros have been recorded related to the burdens for stock options as required by the international accounting standards.

- H5 - DEPRECIATION OF TANGIBLE ASSETS 19,977

A summary of the depreciations of tangible assets at 30 June 2011 is provided below:

In thousands of euros		
	First half of 2011	First half of 2010
Depreciation of property	2,247	2,217
Depreciation of plant and machinery	7,607	7,187
Depreciation of industrial and commercial equipment	8,502	9,366
Depreciation of assets to be given free of charge	472	574
Depreciation of other assets	1,149	1,283
DEPRECIATION OF TANGIBLE ASSETS	19,977	20,627

- H6 -	AMORTISATIONS OF FINITE LIFE INTANGIBLE ASSETS	27,165
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Amortizations of intangible assets with a finite life recognised in the first half of 2011 total 27,165 euros and include, under the item “Trademarks and licenses”, 2,994 thousand euros related to the amortization of the Aprilia brand and 1,523 thousand euros related to the amortization of the Moto Guzzi brand, and comprise the following:

In thousands of euros		
	<i>First half of 2011</i>	<i>First half of 2010</i>
Amortisation of development costs	14,041	13,339
Amortisation of concessions, patents, industrial and similar rights	8,135	6,076
Amortisation of trademarks and licences	4,521	4,530
Amortisation of software	37	39
Amortisation of other intangible assets with a finite life	431	417
AMORTISATION OF INTANGIBLE ASSETS	27,165	24,401

As specified in more detail in the Explanatory note on intangible assets, as of 1 January 2004, goodwill is no longer amortised but tested annually for impairment. The impairment tests carried out at 31 December 2010 confirmed the full recoverability of the amounts recorded in the financial statements: for further details, readers are referred to the above in the Explanatory note on intangible assets for further details about the analyses carried out.

- H7 -	OTHER OPERATING INCOME	66,626
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The “Other operating income” item comprises:

In thousands of euros		
	<i>First half of 2011</i>	<i>First half of 2010</i>
Gains on disposal of tangible assets	84	1,991
Sponsorships	1,871	2,489
Grants	1,518	1,850
Recovery of sundry costs	22,047	26,948
Licence rights	1,445	2,083
Sale of materials and sundry equipment	521	452
Insurance settlements	2,404	5,776
Increases for capitalised internal construction	21,276	18,591
Active instalments	343	290
Other operating income	15,117	5,966
TOTAL	66,626	66,436

The other operating income has slightly increased compared to the corresponding period of the preceding year for 190 thousand euros. Such increase is the result of the combined effect of an increase of the operating revenues referable to the Piaggio group (mainly connected to the release of several surplus funds) almost entirely compensated by the shortage of insurance indemnities referable to the Rodriquez group in relationship to the flood of the river Magra in the month of December 2009.

- H8 -	OTHER OPERATING COSTS	11,787
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The “Other operating costs” item totals 11,787 thousand euros at 30 June 2011 and comprises the following:

In thousands of euros		
	<i>First half of 2011</i>	<i>First half of 2010</i>
Losses on disposal of tangible assets	57	31
Taxation (not on the income)	2,374	2,669
Provisions for product warranty	5,820	7,544
Provisions for disputes	105	0
Provisions for future and other risks	979	9,375
Write-down of trade receivables (including provisions to bad debt reserve)	224	1,254
Other operating costs	2,228	5,943
TOTAL	11,787	26,816

Overall, other operating costs decreased by 15,029 thousand euros compared to the same period of the previous year, mainly due to lesser depreciations and allocations to the risk funds made by the Piaggio group compared to the same period in the previous year.

- H9 - FINANCIAL INCOME	7,541
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Financial income recognised by the Group at 30 June 2011 is detailed below:

In thousands of euros		
	<i>First half of 2011</i>	<i>First half of 2010</i>
Interest receivable	2,699	1,281
Exchange gains	4,321	11,300
Other income	521	1,185
TOTAL	7,541	13,766

The decrease of 6,225 thousand euros is mainly tied to the decrease in the profits on foreign exchange, recorded above all by the Piaggio group, that finds partial compensation in the increase of the losses on exchange rates under the item "Financial charges".

- H10 - FINANCIAL CHARGES	26,455
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The financial charges at 30 June 2011 are detailed below:

In thousands of euros		
	<i>First half of 2011</i>	<i>First half of 2010</i>
Interest payable on bank loans	8,648	7,575
Interest payable on loans from third parties	3,591	2,260
Interest payable on bonds	5,920	5,858
Other interest payable	555	740
Fees payable	324	462
Charges for reductions and/or depreciation of loans	7	7
Exchange losses	4,774	9,620
Financial component of retirement funds and staff severance fund (TFR)	6	5
Other charges	2,630	2,386
TOTAL	26,455	28,913

The financial charges at 30 June 2011 decreased by 2,458 thousand euros, mainly following lesser exchange losses recorded in particular by the Piaggio group, who have more than compensated for the increase registered in the accrual of the interest allowed following the increase in financing cost with variable interest rates indexed to the Euribor.

- H11 - TAXATION	28,467
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The expected income tax charge at 30 June 2011 for the companies consolidated on a line-by-line basis amounts to 28,467 thousand euros, with an incidence on the earnings before taxation of 60.3%, (58.3% during the first half of 2010) equal to the best estimate of the expected weighted average rate for the whole year.

- H12 - GAIN/LOSS ON THE DISPOSAL OF ASSETS	0
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At the condensed half-yearly balance sheet date there are no gains or losses from assets intended for sale or disposal, as well as for the previous year.

- H13 - GROUP EARNINGS FOR THE PERIOD	8,215
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The Immsi Group earnings for the period total 18,703 thousand euros, of which 10,488 pertaining to non-controlling interest.

- I - COMMITMENTS, RISKS AND GUARANTEES

As regards the main commitments, risks and guarantees, where not specifically updated in these Notes, please refer to the contents of the explanatory and additional Notes on the consolidated financial statements contained in the Report of the Directors and Financial Statements of the Immsi Group at 31 December 2010 for a general overview of the Group.

- L - RELATED PARTY DEALINGS

Reference should be made to the relevant paragraph as regards the main business relations of Group companies with related parties.

- M - FINANCIAL POSITION

The Immsi group net financial position 30 June 2011 is shown below. Further details of the main components are provided in the tables in the interim Report on operations and the related information below them:

(in thousands of euros)	30.06.2011	31.12.2010	30.06.2010
Cash and cash equivalent	-158,819	-190,604	-199,664
Other short-term financial assets	-22,583	-23,273	-27,535
Medium/long-term financial assets	0	0	0
Short-term financial payables	402,570	399,357	369,410
Medium/long-term financial payables	454,147	476,165	494,059
Net financial debt	675,315	661,645	636,270

- N - DIVIDENDS PAID

The dividends paid out in 2011 (related to a distribution of profits for the year 2010, as per deliberation of the shareholders' meeting of 10 May 2011) amount to 10,216 thousand euros, equal to 0.03 euro per common stock. It should be remembered that during the first half of 2010, Immsi S.p.A. had distributed dividends (relative to the distribution of the 2009 fiscal year profits, as deliberated in the assembly of 27 April 2010) equal to 0.03 euros per ordinary share for a total of 10,216 thousand euros.

The Parent company did not issue shares other than ordinary shares.

- O - EARNINGS PER SHARE

Earnings per share

Earnings per share is calculated by dividing the net income attributable to Parent company shareholders by the average weighted number of ordinary shares in circulation during the period, from which any own shares held are excluded. The average number of shares in circulation is calculated by using the principle of retrospectively applying the changes in the number of shares in circulation.

	30.06.2011	30.06.2010
Net profit attributable to ordinary shareholders (euros)	8,215,000	10,365,000
Average weighted number of shares in circulation during the year	340,530,000	340,530,000
Basic earnings per share	0.024	0.030

Diluted earning per share

Diluted earning per share is calculated by dividing the net income for the year attributable to Parent company Ordinary Shareholders by the average weighted number of shares in circulation during the year, taking account of the diluting effect of potential shares. Excluded from this calculation are any treasury shares held.

The Company has no category of potential ordinary shares and treasury stock at 30 June 2011.

- P - INFORMATION ON FINANCIAL INSTRUMENTS

Below we summarise the information related to the financial instruments, the risks connected with them, as well as the "sensitivity analysis" in accordance with the requirements of IFRS 7.

The following table shows the financial instruments of the Immsi Group registered in the financial statements at 30 June 2011 and at 31 December 2010:

In thousands of euros	30 June 2011	31 December 2010
ASSETS		
NON-CURRENT ASSETS		
<i>Other financial assets</i>	80,000	80,000
Financial receivables	0	0
Financial assets	80,000	80,000
CURRENT ASSETS		
<i>Other financial assets</i>	36,154	37,661
Financial receivables	7	10
Financial assets	36,147	37,651
LIABILITIES		
NON-CURRENT LIABILITIES		
<i>Financial liabilities</i>	454,147	476,165
Bonds	139,704	139,007
Amounts due to bank	270,538	292,286
Amounts due under finance leases	7,222	7,471
Amounts due to other lenders	36,683	37,401
CURRENT LIABILITIES		
<i>Financial liabilities</i>	402,570	399,357
Amounts due to bank	367,787	370,899
Amounts due under finance leases	875	791
Amounts due to subsidiaries	94	92
Amounts due to other lenders	33,814	27,575

Financial assets

The item of financial Assets refers to the subscription of Italian government securities purchased by the subsidiary Piaggio & C. S.p.A. for 9,972 thousand euros and to shares in liquidity funds purchased by the subsidiary Piaggio Vehicles Private Ltd. for 12,477 thousand euros in order to efficiently use liquidity that was temporarily available. Immsi S.p.A., moreover, under this item registered the investment held in Unicredit (approximately 9.3 million shares) whose fair value at 30 June 2011 was equal to 13,571 thousand euros, down on the 14,388 thousand euros evaluated at 31 December 2010 as a result of the unfavourable trend in the stock market quotations of the Unicredit stock on the MTA (unit price at 30 June 2011 equal to 1.46 euro compared to the price at 31 December 2010 of 1.55 euros).

Current and non-current liabilities

The current and non-current liabilities are fully commented upon within the illustrative note in the paragraph on the financial liabilities. In this section the debt is divided by type and detailed by expiration.

Lines of credit

At 30 June 2011 the Group had irrevocable credit lines up to expiry, which amount to 815 million euros, the detail of which is found in the explanatory and additional note G2, regarding financial liabilities.

Management of financial risks

In the Piaggio group the governance of the Treasury functions and management of the financial risks is centralized. The treasury operations are performed in the sphere of policy and formalized guidelines, valid for all the companies in the group.

Deposit and current correspondent account contracts for settling intragroup and treasury transactions are kept up among the Rodriguez group companies; since May 2007, what is more, Rodriguez Cantieri Navali S.p.A. and Intermarine S.p.A. have concluded a mutual financial assistance contract to their joint advantage.

Management of capital and liquidity risk

The Parent Company Immsi S.p.A. operates with financing for the Group's subsidiaries or by issuing guarantees finalized at facilitating their supply, the above operations are regulated under normal market conditions.

With particular reference to the Piaggio group, cash flows and the company's credit line needs are monitored or managed centrally under the control of the Group's Cash management in order to guarantee an effective and efficient management of the financial resources as well as optimising the debt's maturity standpoint. The company finances the temporary cash requirements of Group companies by providing direct or indirect short-term loans regulated in market conditions.

For greater coverage of the risk of liquidity, at 30 June 2011 the Immsi Group had unused credit lines available for 413,234 thousand euros (369,283 thousand euros at 31 December 2010) of which 284,134 with expiration within 12 months and 129,100 thousand euros with following expiration.

Management of the exchange rate risk

The Group operates in an international context where transactions are conducted in currencies different from Euro. This exposes the Group to risks arising from exchange rates fluctuations: currency exchange rate risk hedging contracts are entered into solely by the Piaggio group and by the Rodriguez group.

In particular the **Piaggio group** even since 2005 adopted an exchange rate risk management policy which aims to neutralise the possible negative effects of the changes in exchange rates on company cash-flows. The policy provides the integral hedging of transaction risk, which concerns the differences between the exchange rate recorded in the financial statements for receivables or payables in foreign currency and that recorded in the related receipt or payment (net between sales and purchases in the same foreign currency) by resorting to the natural offsetting of the exposure, to the underwriting of derivatives sales or purchase contract in foreign currency, besides

advances of receivables in foreign currency. The group is also exposed to the transfer risk, arising from the conversion into Euros of consolidated financial statements of subsidiaries drawn up in currencies different from Euros performed during the consolidation process. The policy adopted by the group does not require this type of exposure to be covered. The policy also envisages hedging the business risk - which concerns the changes in company profitability compared to the annual business budget on the basis of a key change (the so-called "budget change") by recourse to derivative contracts. The exposure of these hedging operations is therefore represented by foreign receivables and payables forecast by the 2011 sales and purchases budget. The total of receivables and payables was broken down into quarters, based on historical monthly data and relative hedging was exactly allocated to the average weighted maturity date. Future receivables and payables will therefore be recognised in 2011. To hedge the business risk, cash flow hedging is adopted with the effective portion of profits and losses recognised in a specific shareholders' equity reserve. Fair value is determined based on market quotations provided by main traders.

As of 30 June 2011 the total fair value of hedging instruments accounted for on a hedge accounting basis was negative and equal to 1,594 thousand euros. During the half-year period, losses under other components of the Statement of comprehensive income were recognised amounting to 1,290 thousand euros and losses from other components of the Statement of comprehensive income were reclassified under profit/loss for the period amounting to 78 thousand euros.

The net balance of cash flows during the first half of 2011 is shown below in the main currencies and for derivatives contracts based on exchange rates applicable as of 30 June 2011:

	Amounts in million of euros	
	Cash Flow first half of 2011	Cash Flow first half of 2010
Pound sterling	10.8	5.7
Indian rupee	(4.9)	16.4
Croatian kuna	1.3	1.3
US dollar	(5.1)	(28.3)
Canadian dollar	2.1	0.4
Swiss franc	4.2	5.6
Vietnamese Dong	22.9	25.3
Chinese yuan *	(14.4)	(29.8)
Japanese Yen	(4.8)	(10.6)
Total cash flow in foreign currency	12.1	(14.0)

* flow settled in euro

In consideration of the above, hypothesizing an appreciation of 3% of the mean exchange rate of the Euro on the part not covered by the cash flow on the main currencies observed during the first half of 2011, the operating income of the Piaggio group would be decreased by around 610 thousand euros.

As regards contracts in place to hedge the exchange risk of foreign transactions (business risk), as of 30 June 2011 Piaggio & C. S.p.A. had in place the following forward purchase contracts (accounted for on a regulation date basis):

- for a value of CHF/000 1.400 corresponding to 1,176 thousand euros (valued at the forward exchange rate), with average maturity on 15 July 2011;
- for a value of GBP/000 5,330 corresponding to 5,988 thousand euros (valued at the forward exchange rate), with average maturity on 12 August 2011;
- for a value of JPY/000 297,000 corresponding to 2,537 thousand euros (valued at the forward exchange rate), with average maturity on 1 August 2011;
- for a value of USD/000 8,540 corresponding to 5,963 thousand euros (valued at the forward exchange rate), with average maturity on 21 July 2011

and forward sales contracts:

- for a value of CAD/000 805 corresponding to 581 thousand euros (valued at the forward exchange rate), with average maturity on 8 August 2011;
- for a value of CHF/000 9,660 corresponding to 7,752 thousand euros (valued at the forward exchange rate), with average maturity on 20 August 2011;
- for a value of GBP/000 7,485 corresponding to 8,509 thousand euros (valued at the forward exchange rate), with average maturity on 23 August 2011;
- for a value of JPY/000 181,000 corresponding to 1,565 thousand euros (valued at the forward exchange rate), with average maturity on 9 July 2011;
- for a value of SEK/000 8,570 corresponding to 952 thousand euros (valued at the forward exchange rate), with average maturity on 24 August 2011;
- for a value of USD/000 1,260 corresponding to 881 thousand euros (valued at the forward exchange rate), with average maturity on 20 August 2011.

As regards contracts in place to hedge the exchange risk of foreign transactions (business risk), as of 30 June 2011 the following contracts are in place:

- forward purchase contracts on the company PT Piaggio Indonesia for 650 thousand euros, with average maturity on 6 August 2011;
- forward sales contracts on the company Piaggio Vehicles Private Ltd for USD/000 3,071 thousand USD corresponding to INR/000 138,821 or 2,150 thousand euros (valued at the forward exchange rate or forward exchange value of rupee at 30 June 2011) with average maturity on 4 August 2011 and forward sale contracts for 5,000 thousand euros with average maturity on 29 September 2011.

As regards contracts in place to hedge the exchange risk of forecast transactions (business risk), as of 30 June 2011 Piaggio & C. S.p.A. had in place:

- forward purchase contracts for a value of CNY/000 160,000 corresponding to 18,460 thousand euros (valued at the forward exchange rate) with average maturity on 3 October 2011 and USD/000 3,000 corresponding to 2,187 thousand euros (valued at the forward exchange rate) with average maturity on 29 August 2011;
- forward sales contracts for CHF/000 7,000 corresponding in total to 5,288 thousand euros (valued at the forward exchange rate) with average maturity on 5 October 2011 and GBP/000 4,000 corresponding in total to 4,719 thousand euros (valued at the forward exchange rate) with average maturity on 2 October 2011.

Also the Rodriguez group covers the risks deriving from swings in the rates of exchange through specific operations tied to the single orders that require billing in currencies other than the euro: the policy concerning the foreign exchange risk implemented by the group is actualized in the total elimination of every risk through the definition of a fixed forward exchange rate to hedge for swings in exchange rates. This hedging set the Euro/USD exchange rates at which the collections will be made and at which they will be valued, according to the progress, the revenues of the Oman order. Forward sales contracts with maturity dates staggered to December 2011 were outstanding at 30 June 2011 for an overall sum of 11.7 million USD at the average exchange rate of 1.3742. It is also to be noted that the non-current assets include 2.2 million euros deposited as security for the Oman credit contract (deposit account), tied and subject to lien in favour of the banks for the interest attributable to the guarantees used on the capital line (exchange value of 3 million USD).

In terms of risk and hedging policy, the revenues and work underway are valued at fixed exchange rates, given that the Rodriguez group has fixed the exchange rate for the residual receipts.

In consideration of the above, hypothesizing an appreciation of 3% of the mean exchange rate of the euro on the portion of the economic exposure not covered on the main currencies observed in the first half of 2011, the consolidated operating income would be reduced by around 0.6 million euros.

Management of the interest rate risk

The exposure to interest rate risk arises from the necessity to fund operating activities, both industrial and financial, besides to use the available cash. Changes in interest rates may affect the costs and the returns of investment and financing operations. The Group regularly measures and controls its exposure to interest rates changes and manages such risks also resorting to derivative instruments, mainly Forward Rate Agreement and Interest Rate Swap, according to what established by its own management policies. As of 30 June 2011, variable rate debt, net of financial assets, was equal to around 459 million euros. Consequently a 1% increase or decrease in the Euribor above this net exposure would have generated higher or lower interest of approximately 4,590 thousand euros per year.

The overall fair value of the hedge instruments entered in accordance with the hedge accounting principle was negative to the tune of 837 thousand euros at 30 June 2011. Losses for 14 thousand euros emerged over the first half of 2011 in the schedule of the other components of the overall overall Income Statement.

Credit risk

The Group considers its exposure to the risk of credit to be the following:

In thousands of euros	30 June 2011	31 December 2010
Cash and cash equivalent	158,819	190,604
Financial assets	22,576	23,263
Financial receivables	7	10
Trade receivables	245,704	115,394
Total	427,106	329,271

In particular, the Piaggio group monitors and/or manages credit centrally by using established policies and guidelines. The portfolio of trade receivables shows no signs of concentrated credit risk in light of the broad distribution of our licensee or distributor network. In addition, most trade receivables are short-term. In order to optimise credit management, the Company has established revolving programmes with some primary factoring companies for selling its trade receivables without recourse in Europe and the United States.

With reference to the Rodriguez group, that by business type can present concentrations of credits with a few customers, it is noted that for the subsidiary Intermarine division the most significant customers under the quantitative profile are represented by public bodies.

Hierarchical fair value valuation levels

As regards financial instruments recorded in the balance sheet situation at fair value, IFRS 7 requires these values to be classified on the basis of hierarchical levels which reflect the significance of the inputs used in determining fair value. These levels are as follows:

- level 1 – quoted prices taken from an active market in terms of assets and liabilities under valuation;
- level 2 – directly (prices) or indirectly (price-derived) observable market inputs other than level 1 inputs;
- level 3 – inputs not based on observable market data.

The table below shows the assets and liabilities valued at fair value as of 30 June 2011, based on fair value hierarchical levels.

In thousands of euros	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>
Assets valued at fair value	23,543	451	80,000
Other assets		252	
Total assets	23,543	703	80,000
Liabilities valued at fair value		(1,290)	
Other liabilities		(1,846)	
Total liabilities	0	(3,136)	0
Balance at 30 June 2011	23,543	(2,433)	80,000

In thousands of euros	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>
Balance at 31 December 2010	37,439	(1,049)	80,000
Gain and (loss) recognised in the income statement		(78)	
Increases / (Decreases)	(13,896)	(1,306)	
Balance at 30 June 2011	23,543	(2,433)	80,000

During the first half of 2011 transfers between Levels did not take place.

LIST OF COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS AND EQUITY INVESTMENTS AT 30 JUNE 2011

Pursuant to CONSOB Resolution 11971 of 14 May 1999 and subsequent amendments thereto (Article 126 of the Regulations), a list of the IMMSI Group companies and its major equity investments it is set out below. The list states the companies, divided according to consolidation procedure. The following information is also shown for each company: its corporate name, its registered headquarters and nationality and its share capital in the original currency. The percentage stakes owned by IMMSI S.p.A. or other group companies are also stated. The percentage of Ordinary Shareholders' Meeting votes is also shown in a separate column where it differs from the equity percentage held in the share capital.

Company Name	Currency	Share Capital (subscribed and paid-up)	% of Share Capital owned	% voting rights (if different)
LIST OF COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS ON A LINE-BY-LINE BASIS				
Immsi S.p.A. Mantova (MN) – Italy Parent Company	Euro	178,464,000.00		
Apuliae S.p.A. Lecce (LE) – Italy Immsi S.p.A. equity investment: 85.00%	Euro	1,520,000.00	85.00%	
ISM Investimenti S.p.A. Mantova (MN) – Italy Immsi S.p.A. equity investment: 71.43%	Euro	5,000,000.00	71.43%	
Pietra S.r.l. Milano (MI) – Italy Immsi S.p.A. equity investment: 77.78%	Euro	40,000.00	77.78%	
Is Molas S.p.A. Pula (CA) – Italy ISM Investimenti S.p.A. equity investment: 85.00%	Euro	7,510,000.00	85.00%	
Immsi Audit S.c.a.r.l. Mantova (MN) – Italy Immsi S.p.A. equity investment: 25.00% Is Molas S.p.A. equity investment: 25.00% Piaggio & C. S.p.A. equity investment: 25.00% Rodriguez Cantieri Navali S.p.A. equity investment: 25.00%	Euro	40,000.00	100.00%	
RCN Finanziaria S.p.A. Mantova (MN) – Italy Immsi S.p.A. equity investment: 63.18%	Euro	32,135,988.00	63.18%	
Piaggio & C. S.p.A. Pontedera (PI) – Italy Immsi S.p.A. equity investment: 53.05%	Euro	205,941,272.16	53.05%	53.75%
Aprilia Racing S.r.l. Pontedera (PI) – Italia Piaggio & C. S.p.A. equity investment: 100.00%	Euro	250,000.00	100.00%	
Aprilia World Service B.V. Amsterdam – Holland Piaggio & C. S.p.A. equity investment: 100.00%	Euro	6,657,500.00	100.00%	
Atlantic 12 – Fondo Comune di Investimento Immobiliare Milano (MI) – Italy Piaggio & C. S.p.A. equity investment: 100.00%	Euro	19,500,000.00	100.00%	
Derbi Racing S.L. Barcellona – Spain Nacional Motor S.A. equity investment: 100.00%	Euro	3,006.00	100.00%	
Moto Laverda S.r.l. *** Noale (VE) – Italy Piaggio & C. S.p.A. equity investment: 100.00%	Euro	80,000.00	100.00%	
Nacional Motor S.A. Barcellona – Spain Piaggio & C. S.p.A. equity investment: 100.00%	Euro	1,588,422.00	100.00%	
P & D S.p.A. *** Pontedera (PI) – Italy Piaggio & C. S.p.A. equity investment: 100.00%	Euro	416,000.00	100.00%	
Piaggio Asia Pacific PTE Ltd. Singapore Piaggio Vespa B.V. equity investment: 100.00%	SGD	100,000.00	100.00%	

Company Name	Currency	Share Capital (subscribed and paid-up)	% of Share Capital owned	% voting rights (if different)
Piaggio Deutschland Gmbh Kerpen – Germany Piaggio Vespa B.V. equity investment: 100.00%	Euro	250,000.00	100.00%	
Piaggio Espana S.L.U. Alcobendas – Spain Piaggio & C. S.p.A. equity investment: 100.00%	Euro	426,642.00	100.00%	
Piaggio France S.A.S. Clichy Cedex – France Piaggio Vespa B.V. equity investment: 100.00%	Euro	1,209,900.00	100.00%	
Piaggio Finance S.A. Lussemburgo - Luxembourg Piaggio & C. S.p.A. equity investment: 99.99%	Euro	31,000.00	99.99%	
Piaggio Group Americas, Inc. New York - USA Piaggio Vespa B.V. equity investment: 100.00%	USD	561,000.00	100.00%	
Piaggio Group Japan Tokyo – Japan Piaggio Vespa B.V. equity investment: 100.00%	YEN	3,000,000.00	100.00%	
Piaggio Hellas S.A. Atene – Greece Piaggio Vespa B.V. equity investment: 100.00%	Euro	2,704,040.00	100.00%	
Piaggio Hrvatska D.o.o. Spalato – Croatia Piaggio Vespa B.V. equity investment: 75.00%	HRK	400,000.00	75.00%	
Piaggio Limited Bromley Kent – UK Piaggio Vespa B.V. equity investment: 99.9996% Piaggio & C. S.p.A. equity investment: 0.0004%	GBP	250,000.00	100.00%	
Piaggio Portugal Limitada *** Lisbona – Portugal Piaggio Vespa B.V. equity investment: 100.00%	Euro	5,000.00	100.00%	
Piaggio Vehicles Private Limited Maharashtra – India Piaggio & C. S.p.A. equity investment: 99.999997% Piaggio Vespa B.V. equity investment: 0.000003%	INR	340,000,000.00	100.00%	
Piaggio Vespa B.V. Breda – Holland Piaggio & C. S.p.A. equity investment: 100%	Euro	91,000.00	100.00%	
Piaggio Vietnam Co. Ltd. Vinh Phuc – Vietnam Piaggio & C. S.p.A. equity investment: 51.00% Piaggio Vespa B.V. equity investment: 36.50%	VND	64,751,000,000.00	87.50%	
Piaggio Group Canada, Inc. Toronto – Canada Piaggio Group Americas, Inc. equity investm.: 100.00%	CAD\$	10,000.00	100.00%	
PT Piaggio Indonesia Jakarta – Indonesia Piaggio Vespa B.V. equity investment: 99.00% Piaggio & C. S.p.A. equity investment: 1.00%	Rupiah	4,458,500,000.00	100.00%	
Rodriquez Cantieri Navali S.p.A. Messina (ME) – Italy RCN Finanziaria S.p.A. equity investment: 100.00%	Euro	14,040,000.00	100.00%	
Intermarine S.p.A. Sarzana (SP) – Italy Rodriquez Cantieri Navali S.p.A. equity investment: 100.00%	Euro	10,000,000.00	100.00%	
Rodriquez Cantieri Navali do Brasil Ltda. Rio de Janeiro – Brazil Rodriquez Cantieri Navali S.p.A. equity investment: 100.00% less 1 share of 1 R\$ hold by Intermarine S.p.A.	R\$	1,068,150.00	100.00%	
Rodriquez Pietra Ligure S.r.l. Milano (MI) – Italy Rodriquez Cantieri Navali S.p.A. equity investment: 100.00%	Euro	20,000.00	100.00%	

Company Name	Currency	Share Capital (subscribed and paid-up)	% of Share Capital owned	% voting rights (if different)
EQUITY INVESTMENTS IN SUBSIDIARIES, ASSOCIATED AND JOINT CONTROL COMPANIES VALUED USING THE EQUITY METHOD				
Aprilia Brasil S.A.*** Manaus – Brazil Aprilia World Service Holding do Brasil Ltda equity investment: 51.00%	R\$	2,020,000.00	51.00%	
Aprilia World Service Holding do Brasil Ltda.*** San Paolo – Brazil Piaggio Group Americas Inc. equity investment: 99.99995%	R\$	2,028,780.00	99.99995%	
Piaggio China Co. LTD Hong Kong – China Piaggio & C. S.p.A. equity investment: 99.99999%	USD	12,100,000.00	99.99999%	
Zongshen Piaggio Foshan Motorcycle Co. LTD. Foshan City – China Piaggio & C. S.p.A. equity investment: 32.50% Piaggio China Co. LTD equity investment: 12.50%	USD	29,800,000.00	45.00%	
EQUITY INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANIES VALUED USING THE COST METHOD				
Acciones Depuradora Soc. Coop. Catalana Limitada Barcelona – Spain Nacional Motor S.A. equity investment: 22.00%	Euro	60,101.21	22.00%	
Pont - Tech, Pontedera & Tecnologia S.c.r.l. Pontedera (PI) – Italy Piaggio & C. S.p.A. equity investment: 20.44%	Euro	884,160.00	20.44%	
S.A.T. Société d'Automobiles et Triporteurs S.A. Tunisi – Tunisia Piaggio Vespa B.V. equity investment: 20.00%	TND	210,000.00	20.00%	
Mitsuba Italia S.p.A. Pontedera (PI) – Italy Piaggio & C. S.p.A. equity investment: 10.00%	Euro	1,000,000.00	10.00%	
Rodriquez Engineering S.r.l. *** Messina (ME) – Italy Rodriquez Cantieri Navali S.p.A. equity investment: 100.00%	Euro	119,756.00	100.00%	
Rodriquez Mexico *** La Paz – Mexico Rodriquez Cantieri Navali S.p.A. equity investment: 50.00%	Pesos	50,000.00	50.00%	
Rodriquez Yachts S.r.l. *** Messina (ME) – Italy Rodriquez Cantieri Navali S.p.A. equity investment: 100.00%	Euro	22,289.00	100.00%	
Consorzio CTMI - Messina Messina (ME) – Italy Rodriquez Cantieri Navali S.p.A. equity investment: 41.538%	Euro	53,040.00	41.538%	
Fondazione Piaggio Onlus Pontedera (PI) – Italy Piaggio & C. S.p.A. equity investment: 50.00%	Euro	103,291.38	50.00%	

*** Non-operating company or company in liquidation.

Group and Related Parties dealings

As regards the information to be provided on related party transactions in accordance with IAS 24 - *Related Parties Disclosures*, kept by the companies of the Groups, 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 June 2011.

It should be noted that, in compliance with the Regulations no. 17221 regarding Related Parties dealings issued by Consob on 12 March 2010 and subsequent amendments, the Company endeavoured to adopt, within the legal terms, a new procedure aimed at regulating the approval practices for Related Party dealings as from 2011, approved by the Board on 30 November 2010 and available on the Issuer's institutional website www.immsi.it, at the Corporate Governance section.

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 June 2011. 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	509	0.1%	Legal assistance provided by St. d'Urso Gatti Bianchi & Ass. to the Group
	51	0.0%	Tax advisory services provided by St. Girelli & Ass. to the Group
Costs for services and the use of third party assets	137	0.1%	Legal assistance provided by St. d'Urso Gatti Bianchi & Ass. to the Group
	56	0.0%	Tax advisory services provided by St. Girelli & Ass. to the Group
Transactions with Parent companies:			
Tangible assets	28	0.0%	Furniture and fittings provided by Omniainvest S.p.A.
Non-current financial liabilities	2,900	0.6%	Bonded loan undersigned by Omniaholding S.p.A. in Piaggio & C. S.p.A.
Costs for services and the use of third party assets	153	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	444	2.7%	Receivables from Fondazione Piaggio e AWS do Brasil
Current trade receivables and other receivables	581	0.1%	Receivables from Consorzio CTMI
	2,315	0.5%	Trade receivables from Fondazione Piaggio and Piaggio Foshan
Current financial liabilities	94	0.0%	Financial payables to Rodriguez Engineering S.r.l.
Current trade payables	21,041	3.5%	Trade payables mainly by Piaggio & C. S.p.A. to Piaggio China and Piaggio Foshan
	44	0.0%	Payables to Consorzio CTMI
Other current payables	30	0.0%	Payables to Fondazione Piaggio
Net sales	903	0.1%	Sales to Piaggio Foshan
Costs for materials	20,751	4.0%	Purchases by Piaggio & C. S.p.A. from Piaggio Foshan
Costs for services and the use of third party assets	60	0.0%	Costs for services rendered by Piaggio Foshan
	44	0.0%	Costs for services rendered by Consorzio CTMI
Other operating income	178	0.3%	Income from Piaggio Foshan
Financial charges	56	0.2%	Charges to Piaggio Foshan

It should be noted that Intesa Sanpaolo S.p.A., minority shareholder of RCN Finanziaria S.p.A. and ISM Investimenti S.p.A., has convertible shareholder financing agreements in the companies in which the investment is made and warranties in the Rodriguez group.

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).

Certification of the condensed half-year financial statements pursuant to art. 154-bis of the Ital.Legisl.Decree No. 58/98

The undersigned Roberto Colaninno, as Chairman of the Board of Directors, Michele Colaninno, as Managing Director and Andrea Paroli, Manager in charge of preparing the company accounts and documents of Immsi S.p.A., certify, also taking account of the provisions of art.154-bis, paragraphs 3 and 4 of the Ital.Legisl.Decree 58 of 24 February 1998:

- appropriateness in relation to the characteristics of the company and
- effective application

of the administrative and accounting procedures for forming the condensed financial statements during the first half of 2011.

To this regard no aspects of particular importance have emerged.

In addition, it is certified that the condensed half-year financial statements:

- were drawn up in conformity with the applicable international accounting standards recognized by the European Union in accordance with the regulation (CE) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
- correspond to the documentary results, the registers and the accounting records;
- are suited to provide a truthful and correct representation of the issuer's assets and liabilities, profit and loss and financial situation, as well as its consolidated subsidiaries.

The Interim management report includes an analysis of the significant events affecting the Company in the first six months of the current fiscal year and the impact of such events on the Company's condensed half-year financial statements as well as a description of the main risks and uncertainties for the second half of the year in addition to an analysis of the information on the significant related party transactions.

26 August 2011

Chairman
Roberto Colaninno

Manager in charge of preparing the company
accounts and documents
Andrea Paroli

Managing Director
Michele Colaninno