



**Share capital 178,464,000 euros fully paid up**  
**Registered office: P.zza Vilfredo Pareto, 3 – 46100 Mantova**  
**Mantova Register of Companies – Tax code and VAT number 07918540019**

***Interim Report***  
***on***  
***Operations***

***30 September 2015***

*This Interim Management Report is a translation provided only for the convenience of foreign readers.  
The Italian version will prevail.*



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This report was approved by the Board of Directors of Immsi S.p.A. on 12 November 2015 and is available to the public as from 13 November 2015 at the registered office of the Company, on the website of Borsa Italiana S.p.A. [www.borsaitaliana.it](http://www.borsaitaliana.it), in the centralised filing system [www.emarketstorage.com](http://www.emarketstorage.com) and on the website of the Issuer [www.immsi.it](http://www.immsi.it) (section: "Investors/Financial reports/2015")

## **COMPANY BOARDS**

The Board of Directors and the Board of Statutory Auditors of Immsi S.p.A. were appointed by shareholders' resolution of 13 May 2015 and will remain in office until the date the Shareholders' Meeting is convened to approve the financial statements for the year ending 31 December 2017.

### **BOARD OF DIRECTORS**

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Roberto Colaninno	<b>Chairman</b>
Daniele Discepolo	<b>Deputy Chairman</b>
Michele Colaninno	<b>Chief Executive Officer</b>
Matteo Colaninno	<b>Director</b>
Ruggero Magnoni	<b>Director</b>
Livio Corghi	<b>Director</b>
Rita Ciccone	<b>Director</b>
Giovanni Sala	<b>Director</b>
Patrizia De Pasquale	<b>Director</b>

### **BOARD OF STATUTORY AUDITORS**

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Alessandro Lai	<b>Chairman</b>
Daniele Girelli	<b>Statutory Auditor</b>
Silvia Rodi	<b>Statutory Auditor</b>
Gianmarco Losi	<b>Alternate Auditor</b>
Elena Fornara	<b>Alternate Auditor</b>

### **INDEPENDENT AUDITORS**

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PricewaterhouseCoopers S.p.A.	<b>2012 – 2020</b>
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### **GENERAL DIRECTOR**

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Michele Colaninno
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In accordance with the principles of Corporate Governance recommended by the Corporate Governance Code for Listed Companies, and pursuant to Italian Legislative Decree No. 231/01, the Board of Directors has established the following bodies:

**REMUNERATION COMMITTEE**

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Daniele Discepolo	<b>Chairman</b>
Giovanni Sala	
Rita Ciccone	

**INTERNAL CONTROL AND RISK MANAGEMENT COMMITTEE**

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Daniele Discepolo	<b>Chairman</b>
Giovanni Sala	
Rita Ciccone	

**RELATED PARTIES COMMITTEE**

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Giovanni Sala	<b>Chairman</b>
Rita Ciccone	
Patrizia De Pasquale	

**COMPLIANCE COMMITTEE**

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Marco Reboa	<b>Chairman</b>
Alessandro Lai	
Maurizio Strozzi	

**APPOINTMENT PROPOSALS COMMITTEE**

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Giovanni Sala	<b>Chairman</b>
Daniele Discepolo	
Rita Ciccone	

**LEAD INDEPENDENT DIRECTOR**

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Daniele Discepolo
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**DEPUTY CHAIRMAN**

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Michele Colaninno
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**INTERNAL AUDIT MANAGER**

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Maurizio Strozzi
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**COMPANY ACCOUNTS MANAGER**

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Andrea Paroli
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**INVESTOR RELATIONS**

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Andrea Paroli
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## Financial highlights of the Immsi Group

In the first nine months of 2015, the performance of the Immsi Group improved in general compared to the same period of 2014. The macro-economic context is still affected by a considerable level of uncertainty, in particular on the domestic market - as concerns consumer spending trends and a consolidated recovery in production activities.

Results for the period have different trends with reference to the sectors comprising the Group, based on the different business trends of the period in question.

For a clearer interpretation, the following is reported on a preliminary basis:

- the “property and holding sector” consolidated the financial position and performance 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., Pietra Ligure S.r.l. and RCN Finanziaria S.p.A.;
- the “industrial sector” includes the companies owned by the Piaggio Group, while
- the “marine sector” includes Intermarine S.p.A. and other minor subsidiaries or associated companies of Intermarine S.p.A..

Financial highlights for the Immsi Group are presented below, divided by business sector and determined in accordance with international accounting standards (IAS/IFRS). A more detailed description of the figures below may be found further on in this document.

### Immsi Group as of 30 September 2015

In thousands of euros	<i>Sector property and holding</i>	<i>as a %</i>	<i>Sector industrial</i>	<i>as a %</i>	<i>Sector marine</i>	<i>as a %</i>	<i>Group Immsi</i>	<i>as a %</i>
Net revenues	3,963		1,002,603		45,963		1,052,529	
Operating income before depreciation and amortisation (EBITDA)	716	18.1%	135,686	13.5%	648	1.4%	137,050	13.0%
Operating income (EBIT)	353	8.9%	58,078	5.8%	-285	-0.6%	58,146	5.5%
Profit before tax	-10,186	n/m	30,525	3.0%	-4,468	-9.7%	15,871	1.5%
Earnings for the period including the portion attributable to non-controlling interests	-7,214	n/m	18,315	1.8%	-3,537	-7.7%	7,564	0.7%
Group earnings for the period (for consolidation purposes)	-3,988	n/m	9,165	0.9%	-2,235	-4.9%	2,942	0.3%
Net debt	-319,865		-495,844		-97,286		-912,995	
Personnel (number)	87		7,527		295		7,909	

Hereunder we give the same table referring to the same period 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 as of 30 September 2014

In thousands of euros	Sector property and holding		Sector industrial		Sector marine		Group Immsi	
		as a %		as a %		as a %		as a %
Net revenues	3,920		930,821		39,256		973,997	
Operating income before depreciation and amortisation (EBITDA)	-2,762	n/m	135,353	14.5%	-4,950	-12.6%	127,641	13.1%
Operating income (EBIT)	-3,169	n/m	69,616	7.5%	-5,900	-15.0%	60,547	6.2%
Profit before tax	-53,663	n/m	36,458	3.9%	-10,067	-25.6%	-27,272	-2.8%
Earnings for the period including the portion attributable to non-controlling interests	-49,791	n/m	21,875	2.4%	-7,612	-19.4%	-35,528	-3.6%
Group earnings for the period (for consolidation purposes)	-46,199	n/m	11,002	1.2%	-4,810	-12.3%	-40,007	-4.1%
<i>Adjusted earnings for the period including non-controlling interests *</i>	-49,791	n/m	23,643	2.5%	-7,612	-19.4%	-33,760	-3.5%
Adjusted *) Group earnings for the period (for consolidation purposes)	-46,199	n/m	11,893	1.3%	-4,810	-12.3%	-39,116	-4.0%
Net debt	-285,637		-437,902		-115,498		-839,037	
Personnel (number)	86		8,141		296		8,523	

\*) For details of the method to calculate the adjustment, please refer to the section of this Report on the Industrial Sector.

The data in the previous tables refer to results that may be consolidated, i.e. net in particular of revenues and intergroup costs and any dividends of subsidiaries.

## Alternative non-GAAP performance measures

This Report contains some measures that, although not indicated by IFRS (“Non-GAAP Measures”), derive from IFRS financial measures.

These measures – which are presented to allow a better assessment of the Group’s operating performance – should not be considered as an alternative to IFRS measures. They are identical to those contained in the Annual Report and Financial Statements as of 31 December 2014 and in the periodical quarterly reports of the Immsi Group.

Moreover, the procedures for determining these measures are not specifically regulated by reference accounting standards, so they might not be uniform with the measures adopted by other entities and therefore might not be sufficiently comparable.

In particular, the following alternative performance measures have been used:

- **EBITDA:** defined as operating income before amortisation/depreciation and impairment costs of intangible assets and property, plant and equipment, as reported in the consolidated income statement;
- **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 (current and non-current) financial receivables. Financial debt does not include other financial assets and liabilities arising from the fair value measurement of financial derivatives used as hedging

and otherwise, and the fair value adjustment of related hedged items and relative deferrals. Among the schedules contained in this Report, a table detailing the composition of this indicator is also included. In this respect, pursuant to the CESR recommendation of 10 February 2005 “Recommendations for the consistent implementation of the European Commission’s Regulation on Prospectuses”, it is noted that the indicator thus formulated represents what has been monitored by Group Management and differs from that suggested by Consob Communication No. 6064293 of 28 July 2006 as it also includes the non-current portion of financial receivables.

Furthermore, in order to ensure adequate comparability of results for the first nine months of 2015 with those of the previous period, net profit has been recalculated for the first nine months of 2014, excluding the effect of non-recurring events (illustrated further on in this Report and entirely ascribable to the Piaggio Group), defined as adjusted net profit.

## Form and content

The Interim Report on Operations as of 30 September 2015, which is not audited, was prepared pursuant to Italian Legislative Decree 58/1998 as amended, and to Consob Regulation on Issuers and includes reclassified consolidated financial statements and notes prepared adopting the IFRS issued by the International Accounting Standards Board (“IASB”) and endorsed by the European Union. The interpretations of the *International Financial Reporting Interpretations Committee* (“IFRIC”) were also taken into account.

In preparing the Interim Report on Operations, the Group adopted the same accounting standards as those used to prepare the Consolidated Financial Statements as of 31 December 2014 (to which reference is made for more details), as well as amendments and interpretations required by IASB, applicable as from 1 January 2015, and which are summarised below:

- On 21 November 2013, the IASB published some minor amendments to IAS 19 – Employee benefits: “Defined Benefit Plans: Employee Contributions”. These amendments concern the accounting treatment of employees or, in specific cases, third-party contributions, to defined benefit plans. Their adoption has not had any significant effects for the Group.
- on 12 December 2013, the IASB issued some amendments to accounting standards, the adoption of which did not have any significant effects for the Group. The most important aspects concern, in brief:
  - IFRS 2 – Share-based payment: the amendment clarifies the definition of “vesting condition” and separately defines the “performance conditions” and “service conditions”;
  - IFRS 3 – Business Combinations: the amendment clarifies that an obligation to pay a consideration in a business combination that meets the definition of financial instrument should be classified as a financial liability in accordance with IAS 32 – Financial Instruments: Presentation. It also clarified that the principle in question does not apply to joint ventures and joint arrangements covered by IFRS 11;
  - IFRS 8 – Operating Segments: the standard has been amended in terms of the reporting requirements that apply in cases where different operating segments with the same economic characteristics are aggregated;
  - IFRS 13 – Fair Value Measurement: the amendments clarify that the exemption allowing an entity to measure at fair value groups of assets and liabilities applies to all contracts, including non-financial contracts, and that the possibility also remains of recognising current trade receivables and payables without recording discounting effects, if these effects are not material;



- IAS 16 – Property, Plant and Equipment and IAS 38 – Intangible Assets: both standards have been amended to clarify how recoverable value and useful life are treated in case of revaluation by the entity;
- IAS 24 – Related Party Disclosures: the standard was amended to include, as a related party, an entity that provides key personnel management services;
- IAS 40 – Investment Property: the amendment to the standard concerns the interaction between the provisions of IFRS 3 – Business Combinations and those of this standard in cases where the acquisition of a property is identifiable as a business combination.

At the date of this Report, the competent bodies of the European Union had not yet completed the approval process necessary for the adoption of certain accounting standards and amendments. The Group will adopt these new standards, amendments and interpretations, based on the application date indicated, and will evaluate potential impact, when the standards, amendments and interpretations are endorsed by the European Union.

As provided for by Consob communication no. DEM/5073567 of 4 November 2005, the Company has indicated fewer details than required by IAS 34 – Interim Financial Reporting.

The information in this Report should be read together with the Consolidated Financial Statements as of 31 December 2014, prepared according to IFRS.

The preparation of the Interim Report required the Management to make estimates and assumptions that particularly affect the reported amounts of revenues, expenses, assets and liabilities recorded in the financial statements and disclosure of contingent assets and liabilities at the closing date of the period. If in the future such estimates and assumptions deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances should change. In addition, some evaluative processes, particularly the more complex ones such as the determination of impairment losses on intangible assets, are generally carried out completely only at the time of drawing up the annual financial statements, when all the potentially necessary information is available, saving the cases in which there are indicators of *impairment* that require immediate evaluation of possible losses of value.

This document can include forward-looking statements, regarding future events and operational, economic and financial results of the Immsi Group. Said statements have a certain degree of risk and uncertainty by nature, since they depend on the occurrence of future events and developments. The actual results may differ even significantly compared to the forecast ones, in relation to several factors.

This Interim Report on Operation is expressed in Euros since that is the currency in which most of the Group's transactions take place. Unless stated otherwise, the figures in the financial statements and explanatory notes that follow are expressed in thousands of euros.

The exchange rates used to translate the financial statements of companies included in the scope of consolidation into euros are shown in the table below:

<i>Currency</i>	<b>Spot exchange rate 30 September 2015</b>	<b>Average exchange rate First nine months of 2015</b>	<b>Spot exchange rate 31 December 2014</b>	<b>Average exchange rate First nine months of 2014</b>
US Dollar	1.1203	1.11436	1.2141	1.35503
Pounds Sterling	0.7385	0.72715	0.7789	0.81186
Indian Rupee	73.4805	70.85495	76.719	82.26931
Singapore Dollars	1.5921	1.52006	1.6058	1.70403
Chinese Renminbi	7.1206	6.96414	7.5358	8.35576
Croatian Kuna	7.6445	7.61059	7.658	7.62421
Japanese Yen	134.69	134.77759	145.23	139.49677
Vietnamese Dong	25,117.95	24,065.9856	25,834.65	28,467.6097
Canadian Dollars	1.5034	1.40384	1.4063	1.48214
Indonesian Rupiah	16,494.17	14,788.49958	15,103.4	15,858.151
Brazilian Real	4.4808	3.52573	3.2207	3.10283

The reclassified Income Statement and Statement of Comprehensive Income relative to the first nine months of 2015 are given below, compared with the same period of 2014, as well as the reclassified Statement of Financial Position as of 30 September 2015, compared with the situation as of 31 December 2014 and 30 September 2014 and the Statement of Cash Flows as of 30 September 2015 compared with the same period of 2014. The Statement of changes in shareholders' equity as of 30 September 2015, compared with figures for the same period of the previous year is also presented.

No non-current, atypical or unusual transactions, as defined by Consob Communication no. DEM/6037577 of 28 April 2006 and no. DEM/6064293 of 28 July 2006, were recognised for the first nine months of 2015 and 2014.

In the first nine months of 2015, no significant non-recurrent transactions took place; in the same period of 2014 borrowing costs included non-recurrent costs related to the operation to refinance the Piaggio debenture loan for a total of 2,947 thousand euros, of which details are given in particular in the section on the Industrial Sector in this Report. The operation is classified under significant non-recurrent transactions, as defined by Consob Communication No. DEM/6064293 of 28 July 2006.

The Manager in charge of preparing the Company accounts and documents Andrea Paroli, hereby declares, in accordance with paragraph 2 of article 154-*bis* of the Consolidated Finance Act, that accounting disclosure in this document corresponds to accounting records.

## **Scope of consolidation**

For the purposes of consolidation, the financial statements as of 30 September 2015 of companies included in the scope of consolidation, appropriately modified and reclassified, where necessary, to bring them in line with international accounting standards and uniform classification criteria used by the Group, were used. The scope of consolidation includes the companies in which the Parent Company, directly or indirectly, owns more than half of the voting rights exercisable in Shareholders' Meetings, or has the power to control or direct voting rights by means of contractual or bylaw clauses, or can appoint the majority of the members of the Boards of Directors. Excluded from the line-by-line consolidation are non-operating controlled companies or those with low operating levels as their influence on the final result of the Group is insignificant.

The scope of consolidation has not significantly changed compared to the consolidated financial statements as of 31 December 2014 and the consolidated financial statements as of 30 September 2014. In particular:

- as regards the investment held by the Parent Company Immsi S.p.A. in ISM Investimenti S.p.A., considering the different equity rights of the two partners, the share of equity of ISM Investimenti S.p.A., consolidated by Immsi S.p.A., was estimated to be 60.39% as of 30 September 2015, compared with 61.99% as of 30 September 2014;

- on 28 January 2015, the partial spin-off took place of the subsidiary Intermarine S.p.A., with the formation of a new company, Pietra Ligure S.r.l., and the allocation of a single share representing 100% of the share capital to RCN Finanziaria S.p.A. Pietra Ligure S.r.l. owns property in the municipality of Pietra Ligure (Province of Savona). Pietra S.r.l. subsequently acquired 100% of the share capital of Pietra Ligure S.r.l. from RCN Finanziaria S.p.A.;
- the closure of the company Derbi Racing S.L., previously held 100% by Nacional Motor S.A., on 16 December 2014;
- on 15 June 2015, the company Piaggio Fast Forward Inc. was formed, a subsidiary of Piaggio & C. S.p.A., with the object of research and development of new mobility and transportation systems.

Lastly, following the sale of 1.9 million Piaggio shares by the Parent Company and the purchase and sale of treasury shares by Piaggio & C. S.p.A., the share of consolidated shareholders' equity of the Piaggio Group amounted to 50.06% as of 30 September 2015, and to 50.59% and 50.38% as of 31 December and 30 September 2014 respectively.

These changes - as they are of a limited extent - did not alter the comparability of data on the financial position and performance between the reference periods, and resulted only in a partial redistribution of net profit and shareholders' equity attributable to the Group and to non-controlling interests.

# Reclassified consolidated financial statements and relative notes

## Reclassified income statement of the Immsi Group

In thousands of euros	30.09.2015		30.09.2014		Change	
<b>Net revenues</b>	<b>1,052,529</b>	<b>100%</b>	<b>973,997</b>	<b>100%</b>	<b>78,532</b>	<b>8.1%</b>
Costs for materials	603,528	57.3%	546,478	56.1%	57,050	10.4%
Costs for services, leases and rentals	201,159	19.1%	181,222	18.6%	19,937	11.0%
Employee costs	176,114	16.7%	174,731	17.9%	1,383	0.8%
Other operating income	86,468	8.2%	74,940	7.7%	11,528	15.4%
Other operating costs	21,146	2.0%	18,865	1.9%	2,281	12.1%
<b>OPERATING INCOME BEFORE DEPRECIATION AND AMORTISATION</b>	<b>137,050</b>	<b>13.0%</b>	<b>127,641</b>	<b>13.1%</b>	<b>9,409</b>	<b>7.4%</b>
Depreciation and write-downs of plant, property and equipment	35,863	3.4%	32,488	3.3%	3,375	10.4%
Amortisation of goodwill	0	-	0	-	0	-
Amortisation and write-downs of finite life intangible assets	43,041	4.1%	34,606	3.6%	8,435	24.4%
<b>OPERATING INCOME</b>	<b>58,146</b>	<b>5.5%</b>	<b>60,547</b>	<b>6.2%</b>	<b>-2,401</b>	<b>-4.0%</b>
Income/(loss) from equity investments	281	0.0%	0	-	281	-
Financial income	15,850	1.5%	10,081	1.0%	5,769	57.2%
Borrowing costs	58,406	5.5%	97,900	10.1%	-39,494	-40.3%
<b>PROFIT BEFORE TAX</b>	<b>15,871</b>	<b>1.5%</b>	<b>-27,272</b>	<b>-2.8%</b>	<b>43,143</b>	<b>n/m</b>
Taxes	8,307	0.8%	8,256	0.8%	51	0.6%
<b>EARNINGS AFTER TAXES FROM CONTINUING OPERATIONS</b>	<b>7,564</b>	<b>0.7%</b>	<b>-35,528</b>	<b>-3.6%</b>	<b>43,092</b>	<b>n/m</b>
Profit (loss) arising from assets held for disposal or sale	0	-	0	-	0	-
<b>EARNINGS FOR THE PERIOD INCLUDING THE PORTION ATTRIBUTABLE TO NON-CONTROLLING INTERESTS</b>	<b>7,564</b>	<b>0.7%</b>	<b>-35,528</b>	<b>-3.6%</b>	<b>43,092</b>	<b>n/m</b>
Earnings for the period attributable to non-controlling interests	4,622	0.4%	4,479	0.5%	143	3.2%
<b>GROUP EARNINGS FOR THE PERIOD</b>	<b>2,942</b>	<b>0.3%</b>	<b>-40,007</b>	<b>-4.1%</b>	<b>42,949</b>	<b>n/m</b>
<b>ADJUSTED *) EARNINGS FOR THE PERIOD INCLUDING NON-CONTROLLING INTERESTS</b>	<b>7,564</b>	<b>0.7%</b>	<b>-33,760</b>	<b>-3.5%</b>	<b>41,324</b>	<b>n/m</b>
Adjusted *) earnings for the period attributable to non-controlling interests	4,622	0.4%	5,356	0.5%	-734	-13.7%
<b>ADJUSTED *) GROUP EARNINGS FOR THE PERIOD</b>	<b>2,942</b>	<b>0.3%</b>	<b>-39,116</b>	<b>-4.0%</b>	<b>42,058</b>	<b>n/m</b>

\*) For details of the method to calculate the adjustment, please refer to the section of this Report on the Industrial Sector.

## Statement of comprehensive income of the Immsi Group

In thousands of euros	30.09.2015	30.09.2014
<b>EARNINGS FOR THE PERIOD INCLUDING THE PORTION ATTRIBUTABLE TO NON-CONTROLLING INTERESTS</b>	<b>7,564</b>	<b>(35,528)</b>
<b>Items that may not be reclassified to profit or loss</b>		
Actuarial gains (losses) on defined benefit plans	2,253	(4,358)
<b>Total</b>	<b>2,253</b>	<b>(4,358)</b>
<b>Items that may be reclassified to profit or loss</b>		
Gains/(losses) on cash flow hedges	552	(368)
Profit (loss) arising from the translation of financial statements of foreign companies	2,171	6,129
Gains/(losses) on the fair value measurement of assets available for sale and investment property	647	2,420
<b>Total</b>	<b>3,370</b>	<b>8,181</b>
<b>Other Comprehensive Income (Expense)</b>	<b>5,623</b>	<b>3,823</b>
<b>TOTAL COMPREHENSIVE PROFIT (LOSS) FOR THE PERIOD</b>	<b>13,187</b>	<b>(31,705)</b>
Comprehensive earnings for the period attributable to non-controlling interests	7,053	5,305
<b>COMPREHENSIVE GROUP EARNINGS FOR THE PERIOD</b>	<b>6,134</b>	<b>(37,010)</b>

The figures in the above table are net of the corresponding tax effect.

## *Net revenues*

Consolidated net revenues as of 30 September 2015 amounted to 1,052.5 million euros, of which 95.3%, equal to 1,002.6 million euros attributable to the industrial sector (Piaggio Group), 4.4%, equal to 46 million euros, to the marine sector (Intermarine S.p.A.), and the remaining part, of approximately 4 million euros, to the property and holding sector (Immsi S.p.A. and Is Molas S.p.A. net of intergroup eliminations).

With reference to the industrial sector, the Piaggio Group closed the first nine months of 2015 with net revenues equal to 1,002.6 million euros, up by 7.7% compared to the same period of 2014. This growth was particularly evident in India (+9.8%) and in Asia Pacific (+9.7%), also driven by the write-down of the euro against Asian currencies. As regards product types, the increase in turnover mainly referred to Commercial Vehicles (+10.7%), and to two-wheeler vehicles (+6.5%). The percentage of two-wheeler vehicles accounting for overall turnover dropped from 70.7% in the first nine months of 2014 to the current figure of 69.9%; vice versa, the percentage of Commercial Vehicles accounting for overall turnover rose from 29.3% in 2014 to the current figure of 30.1%.

With reference to the marine sector (Intermarine S.p.A.), consolidated revenues amounted to nearly 46 million euros as of 30 September 2015, up by 17.1% compared to the figure of 39.3 million euros as of 30 September 2014: this increase is mainly due to an improved production progress in the Defence division, concerning minesweepers.

As regards the property and holding sector, net revenues as of 30 September 2015 amounted to approximately 4 million euros, in line with figures for the first nine months of 2014.

## *Operating income before depreciation, amortisation and impairment costs of plant, property and equipment and intangible assets (EBITDA)*

Consolidated operating income before depreciation, amortisation and impairment costs of plant, property and equipment and intangible assets (EBITDA) amounted to 137.1 million euros as of 30 September 2015, equal to 13% of net revenues. Compared to EBITDA for the first nine months of 2014, this figure increased by approximately 9.4 million euros (+7.4%), following greater contributions from all Group sectors. As of 30 September 2014, EBITDA of the Immsi Group amounted to 127.6 million euros, accounting for 13.1% of net revenues.

The component attributable to the industrial sector (Piaggio Group) amounted to 135.7 million euros, up by 0.3 million euros compared to the figure as of 30 September 2014 (equal to 135.4 million euros), and accounting for 13.5% of the net revenues of the sector, registering a slight decrease compared to 14.5% for the same period of 2014. The component attributable to the marine sector (Intermarine S.p.A.) was equal to 0.6 million euros, up by 5.6 million euros compared to the figure as of 30 September 2014 (a negative amount of 5 million euros). Lastly, the component attributable to the property and holding sector amounted to 0.7 million euros, improving considerably on the figure recorded for the first nine months of the previous year (a negative amount of 2.8 million euros). This improvement was mainly due to the recognition in the first nine months of 2015 of 1) income of 2.7 million euros from forfeiture of the deposit paid by Como S.r.l. in 2005 when signing the preliminary agreement for the purchase of property in Pietra Ligure, after it defaulted on the contractual terms, and 2) income of 1.27 million euros from the enforcement by Is Molas S.p.A. of two sureties relating to procurement contracts with Italiana Costruzioni S.p.A., following a court order issued in the subsidiary's favour for breach of contract by the contractor.

Main costs of the Immsi Group included personnel costs equal to 176.1 million euros, up on the figure for the same period of 2014, equal to 174.7 million euros (accounting for 16.7% of net revenues, down from 17.9% for the first nine months of 2014).

### ***Operating income (EBIT)***

Operating income (EBIT) in the first nine months of 2015 amounted to 58.1 million euros, equal to 5.5% of net revenues and slightly down on the figure for the same period of the previous year (equal to 60.5 million euros and accounting for 6.2% of net revenues).

The component attributable to the industrial sector (Piaggio Group) amounted to 58.1 million euros, down by 11.5 million euros compared to the figure as of 30 September 2014 (equal to 69.6 million euros), and accounting for 5.8% of the net revenues of the sector, registering a decrease compared to 7.5% for the same period of 2014. The component attributable to the marine sector (Intermarine S.p.A.) was equal to a negative amount of 0.3 million euros, improving considerably on the figure as of 30 September 2014 (a negative amount of 5.9 million euros). Lastly, the component attributable to the property and holding sector amounted to 0.4 million euros, improving on the figure recorded for the first nine months of the previous year (a negative amount of 3.2 million euros).

Depreciation and amortisation for the period totalled 78.9 million euros (up by 11.8 million euros compared to the figure for the first nine months of 2014), accounting for 7.5% of net revenues, and increasing compared to the same period of 2014 (6.9%), comprising depreciation of property, plant and equipment amounting to 35.9 million euros (32.5 million euros in the first nine months of 2014) and amortisation of intangible assets amounting to 43 million euros (34.6 million euros in the same period of 2014). In particular, depreciation and amortisation referable to the industrial sector (Piaggio Group) amounted to approximately 77.6 million euros (compared to 65.7 million euros in the first nine months of 2014), of which 43 million relative to intangible assets (34.6 million euros in the same period of 2014), and 34.6 million relative to plant, property and equipment (31.1 million euros in the first nine months of 2014).

No impairment of goodwill was recognised in the first nine months of 2015, or in the same period of the previous year, as based on the results forecast by long-term development plans of Group companies and used in impairment testing carried out as of 31 December 2014 and 31 December 2013, no impairment was necessary, as the goodwill was considered as recoverable from future financial flows. Moreover, in the first nine months of 2015, no events occurred indicating a considerable impairment loss of the assets tested for impairment.

Considering that the analyses conducted to estimate the recoverable value for the Immsi Group cash-generating unit were also determined based on estimates, the Group cannot guarantee that there will be no goodwill impairment losses in future periods. Owing to the current recession in the core markets and the financial crisis, the different factors – both inside and outside the cash-generating units identified – used in preparing estimates could in the future be reviewed: the Group will constantly monitor these factors and the possible existence of future impairment losses.

### ***Profit before tax***

Profit before tax as of 30 September 2015 amounted to 15.9 million euros, compared to a consolidated loss of 27.3 million euros in the first nine months of the previous year.

Borrowing costs, net of income and earnings from investments, amounted to 42.3 million euros in the first nine months of 2015, accounting for 4% of net revenues, with the contribution from the industrial sector amounting to 27.6 million euros (33.2 in the first nine months of 2014), from the marine sector amounting to 4.2 million euros (unchanged compared to the first nine months of 2014) and from the property and holding sector amounting to 10.5 million euros in the first nine months of 2015 compared to 50.5 million in the same period of the previous year.

The main negative financial components recognised in the first nine months of 2014 principally concern: 1) a write-down of 40,850 thousand euros recognised by the holding Immsi S.p.A., necessary following impairment testing carried out as of 30 June 2014 on the recoverability of the carrying amount of the investment in Alitalia – Compagnia Aerea Italiana S.p.A. (“Alitalia - CAI”) which identified an impairment loss for this investment; 2) non-recurrent costs relating to the advance repayment by Piaggio & C. S.p.A. of a debenture loan maturing in 2016 (equal to 2,947 thousand euros).

### ***Group earnings for the period***

Earnings for the period, net of taxes and the portion attributable to non-controlling interests, as of 30 September 2015 amounted to 2.9 million euros (0.3% of net revenues for the period), improving on the negative figure registered in the same period of the previous year, equal to 40 million euros (-4.1% of net revenues for the period).

Taxes for the period amounted to approximately 8.3 million euros (in line with the figure for the first nine months of 2014): income tax, also in view of requirements of IAS 34, was on average determined, based on the best estimate of the average weighted rate expected for the entire year.

### **Earning/(loss) per share**

In euros

From continuing and discontinued activities	<b>30.09.2015</b>	<b>30.09.2014</b>
<i>Basic</i>	0.009	(0.117)
<i>Diluted</i>	0.009	(0.117)
Average number of shares:	340,530,000	340,530,000

Diluted earnings per share correspond to basic profit as there are no potential shares with a diluting effect.

At the end of the reporting period, no gains or losses from assets held for sale or disposal had been recognised.

## Reclassified statement of financial position of the Immsi Group

In thousands of euros	30.09.2015	as a %	31.12.2014	as a %	30.09.2014	as a %
<b>Current assets:</b>						
Cash and cash equivalents	112,825	5.1%	103,942	4.8%	132,099	5.8%
Financial assets	0	0.0%	0	0.0%	29	0.0%
Operating activities	616,320	27.8%	597,128	27.4%	656,252	29.0%
<b>Total current assets</b>	<b>729,145</b>	<b>32.9%</b>	<b>701,070</b>	<b>32.2%</b>	<b>788,380</b>	<b>34.9%</b>
<b>Non-current assets:</b>						
Financial assets	0	0.0%	0	0.0%	0	0.0%
Intangible assets	848,376	38.3%	846,575	38.9%	839,014	37.1%
Plant, property and equipment	338,323	15.3%	344,450	15.8%	336,874	14.9%
Other assets	301,853	13.6%	284,644	13.1%	295,020	13.1%
<b>Total non-current assets</b>	<b>1,488,552</b>	<b>67.1%</b>	<b>1,475,669</b>	<b>67.8%</b>	<b>1,470,908</b>	<b>65.1%</b>
<b>TOTAL ASSETS</b>	<b>2,217,697</b>	<b>100.0%</b>	<b>2,176,739</b>	<b>100.0%</b>	<b>2,259,288</b>	<b>100.0%</b>
<b>Current liabilities:</b>						
Financial liabilities	349,197	15.7%	440,483	20.2%	409,094	18.1%
Operating liabilities	620,790	28.0%	600,658	27.6%	686,273	30.4%
<b>Total current liabilities</b>	<b>969,987</b>	<b>43.7%</b>	<b>1,041,141</b>	<b>47.8%</b>	<b>1,095,367</b>	<b>48.5%</b>
<b>Non-current liabilities:</b>						
Financial liabilities	676,623	30.5%	573,214	26.3%	562,071	24.9%
Other non-current liabilities	123,435	5.6%	120,273	5.5%	119,711	5.3%
<b>Total non-current liabilities</b>	<b>800,058</b>	<b>36.1%</b>	<b>693,487</b>	<b>31.9%</b>	<b>681,782</b>	<b>30.2%</b>
<b>TOTAL LIABILITIES</b>	<b>1,770,045</b>	<b>79.8%</b>	<b>1,734,628</b>	<b>79.7%</b>	<b>1,777,149</b>	<b>78.7%</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>447,652</b>	<b>20.2%</b>	<b>442,111</b>	<b>20.3%</b>	<b>482,139</b>	<b>21.3%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2,217,697</b>	<b>100.0%</b>	<b>2,176,739</b>	<b>100.0%</b>	<b>2,259,288</b>	<b>100.0%</b>

## Analysis of capital invested by the Immsi Group

In thousands of euros	30.09.2015	as a %	31.12.2014	as a %	30.09.2014	as a %
Current operating assets	616,320	41.5%	597,128	40.6%	656,252	45.5%
Current operating liabilities	-620,790	-41.8%	-600,658	-40.8%	-686,273	-47.6%
<b>Net operating working capital</b>	<b>-4,470</b>	<b>-0.3%</b>	<b>-3,530</b>	<b>-0.2%</b>	<b>-30,021</b>	<b>-2.1%</b>
Intangible assets	848,376	57.2%	846,575	57.5%	839,014	58.2%
Plant, property and equipment	338,323	22.8%	344,450	23.4%	336,874	23.4%
Other assets	301,853	20.3%	284,644	19.3%	295,020	20.5%
<b>Capital employed</b>	<b>1,484,082</b>	<b>100.0%</b>	<b>1,472,139</b>	<b>100.0%</b>	<b>1,440,887</b>	<b>100.0%</b>
Non-current non-financial liabilities	123,435	8.3%	120,273	8.2%	119,711	8.3%
Non-controlling interest capital and reserves	170,314	11.5%	173,923	11.8%	180,456	12.5%
Consolidated Group shareholders' equity	277,338	18.7%	268,188	18.2%	301,683	20.9%
<b>Total non-financial sources</b>	<b>571,087</b>	<b>38.5%</b>	<b>562,384</b>	<b>38.2%</b>	<b>601,850</b>	<b>41.8%</b>
<b>Net financial debt</b>	<b>912,995</b>	<b>61.5%</b>	<b>909,755</b>	<b>61.8%</b>	<b>839,037</b>	<b>58.2%</b>

### *Capital employed*

Capital employed amounted to 1,484.1 million euros as of 30 September 2015, up slightly by 11.9 million euros compared to 31 December 2014, and by 43.2 million euros compared to 30 September 2014, when it stood at 1,472.1 million euros and 1,440.9 million euros respectively.



## Net financial debt of the Immsi Group

The net financial debt of the Immsi Group, equal to 913 million euros as of 30 September 2015, is analysed below and compared with the same data as of 31 December 2014 and 30 September 2014.

In this respect, pursuant to the CESR recommendation of 10 February 2005 “Recommendations for the consistent implementation of the European Commission’s Regulation on Prospectuses”, the indicator thus formulated represents items and aspects monitored by Group Management and differs from that suggested by Consob Communication No. 6064293 of 28 July 2006 as it also includes the non-current portion of financial receivables: however, this assumption did not have any impact on figures presented, as receivables for medium and long term loans were equal to zero in all periods considered.

In thousands of euros	30.09.2015	31.12.2014	30.09.2014
<b>Short-term liquidity</b>			
Cash and cash equivalents	-112,825	-103,942	-132,099
Financial assets	0	0	-29
<b>Total short-term financial assets</b>	<b>-112,825</b>	<b>-103,942</b>	<b>-132,128</b>
<b>Short-term financial payables</b>			
Bonds	0	0	0
Payables due to banks	284,652	383,225	341,717
Amounts due under finance leases	31	30	5,108
Amounts due to other lenders	64,514	57,228	62,269
<b>Total short-term financial payables</b>	<b>349,197</b>	<b>440,483</b>	<b>409,094</b>
<b>Total short-term financial debt</b>	<b>236,372</b>	<b>336,541</b>	<b>276,966</b>
<b>Medium/long-term financial assets</b>			
Receivables for loans	0	0	0
Other financial assets	0	0	0
<b>Total medium/long-term financial assets</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Medium/long-term financial payables</b>			
Bonds	289,210	288,369	287,591
Payables due to banks	386,275	283,372	273,000
Amounts due under finance leases	187	211	218
Amounts due to other lenders	951	1,262	1,262
<b>Total medium/long-term financial payables</b>	<b>676,623</b>	<b>573,214</b>	<b>562,071</b>
<b>Total medium-/long-term financial debt</b>	<b>676,623</b>	<b>573,214</b>	<b>562,071</b>
<b>Net financial debt</b>	<b>912,995</b>	<b>909,755</b>	<b>839,037</b>

\*) The measure includes financial assets and liabilities arising from fair value measurements, financial derivatives used for hedging and other purposes, the fair value adjustment of relative hedged items equal to 25,075 thousand euros (17,922 thousand euros and 14,502 thousand euros as of 31 December 2014 and 30 September 2014 respectively) and relative accruals and deferrals.

During the first nine months of 2015, the net financial debt of the Group increased by approximately 3.2 million euros compared to the end of 2014, with a decrease in short-term debt, offset by an increase in non-current debt, while it went up by approximately 74 million euros compared to 30 September 2014, with the change mainly attributable to the increase in medium-/long-term payables to banks (+113.3 million euros), only partially offset by the fall in current payables to banks (-57.1 million euros).

## Investments

Gross investments as of 30 September 2015 made by the Group totalled 69 million euros (58.6 million in the first nine months of 2014) referring nearly entirely to the Piaggio Group, of which 43.3 million relative to intangible assets (38.1 million in the first nine months of 2014) and 25.6 million euros relative to plant, property and equipment (20.5 million euros in the same period of the previous year).

## Cash flow statement of the Immsi Group

In thousands of euros	30.09.2015	30.09.2014
<i>Operating activities</i>		
Profit before tax	15,871	(27,272)
Depreciation of plant, property and equipment (including investment property)	35,863	32,197
Amortisation of intangible assets	43,041	34,606
Provisions for risks and for severance indemnity and similar obligations	16,659	16,735
Write-downs / (Reversals)	1,714	36,734
Capital losses / (gains) on the disposal of plant, property and equipment (including investment property)	(151)	3
Interest income	(348)	(722)
Income from dividends	0	(5)
Interest expense	41,554	43,530
Depreciation of grants	(2,710)	(2,526)
Change in working capital	(19,139)	23,922
Change in non-current provisions and other changes	(8,734)	(36,618)
<b>Cash generated from operating activities</b>	<b>123,620</b>	<b>120,584</b>
Interest paid	(34,875)	(33,267)
Taxes paid	(15,024)	(12,538)
<b>Cash flow from operations</b>	<b>73,721</b>	<b>74,779</b>
<i>Investing activities</i>		
Acquisition of subsidiaries, net of cash and cash equivalents	0	(462)
Sale price of subsidiaries, net of cash and cash equivalents	5,206	0
Investments in plant, property and equipment	(25,644)	(20,547)
Sale price, or repayment value, of plant, property and equipment (including investment property)	413	355
Investments in intangible assets	(43,314)	(38,100)
Sale price, or repayment value, of intangible assets	44	44
Interest received	363	437
Sale price from assets held for disposal or sale	0	4
Grants received	159	0
Other changes	(1,022)	2,014
<b>Cash flow from investing activities</b>	<b>(63,795)</b>	<b>(56,255)</b>
<i>Financing activities</i>		
Increase in share capital by non-controlling interests	0	5,139
Loans received	224,233	144,738
Outflow for repayment of loans	(207,668)	(100,296)
Financing received for leases	0	268
Repayment of finance leases	(23)	(751)
Outflow for dividends paid to Parent company Shareholders	0	0
Outflow for dividends paid to Non-controlling Interest	(12,851)	0
<b>Cash flow from financing activities</b>	<b>3,691</b>	<b>49,098</b>
<b>Increase / (Decrease) in cash and cash equivalents</b>	<b>13,617</b>	<b>67,622</b>
<i>Opening balance</i>	<i>75,899</i>	<i>40,623</i>
Exchange differences	2,095	(3,165)
<b>Closing balance</b>	<b>91,611</b>	<b>105,080</b>

The table shows the changes in cash and cash equivalents as of 30 September 2015 which total 112.8 million euros (103.9 million as of 31 December 2014) including short-term bank overdrafts equal to 21.2 million euros (28 million as of 31 December 2014).

## Total shareholders' equity and equity attributable to the Immsi Group

In thousands of euros	<b>Consolidated shareholders' equity of the Group</b>	<b>Capital and reserves attributable to non-controlling interests</b>	<b>Total assets equity attributable to the Group and to non-controlling interests</b>
<b>Balances at 1 January 2014</b>	<b>337,920</b>	<b>171,247</b>	<b>509,167</b>
Distribution of dividends	0	0	0
Other changes	773	3,904	4,677
Net comprehensive earnings for the period	(37,010)	5,305	(31,705)
<b>Balances as of 30 September 2014</b>	<b>301,683</b>	<b>180,456</b>	<b>482,139</b>

In thousands of euros	<b>Consolidated shareholders' equity Group</b>	<b>Capital and reserves attributable to non-controlling interests</b>	<b>Total assets equity attributable to the Group and to non-controlling interests</b>
<b>Balances at 1 January 2015</b>	<b>268,188</b>	<b>173,923</b>	<b>442,111</b>
Distribution of dividends	0	(12,851)	(12,851)
Other changes	3,016	2,189	5,205
Net comprehensive earnings for the period	6,134	7,053	13,187
<b>Balances as of 30 September 2015</b>	<b>277,338</b>	<b>170,314</b>	<b>447,652</b>

## Human resources

As of 30 September 2015, the Immsi Group employed 7,909 staff, of which 87 in the property and holding sector, 7,527 in the industrial sector (Piaggio Group) and 295 in the marine sector (Intermarine S.p.A.).

The following tables divide resources by category and geographic segment:

### Human resources by category

numbers	30.09.2015			
	Property and holding sector	Industrial sector	Marine sector	Group total
Executives	7	91	8	106
Middle managers and white collars	38	2,551	154	2,743
Manual workers	42	4,885	133	5,060
<b>TOTAL</b>	<b>87</b>	<b>7,527</b>	<b>295</b>	<b>7,909</b>
numbers	31.12.2014			
	Property and holding sector	Industrial sector	Marine sector	Group total
Executives	7	95	8	110
Middle managers and white collars	38	2,669	139	2,846
Manual workers	26	4,746	137	4,909
<b>TOTAL</b>	<b>71</b>	<b>7,510</b>	<b>284</b>	<b>7,865</b>
numbers	Changes			
	Property and holding sector	Industrial sector	Marine sector	Group total
Executives	0	-4	0	-4
Middle managers and white collars	0	-118	15	-103
Manual workers	16	139	-4	151
<b>TOTAL</b>	<b>16</b>	<b>17</b>	<b>11</b>	<b>44</b>

### Human resources by geographic segment

numbers	30.09.2015			
	Property and holding sector	Industrial sector	Marine sector	Group total
Italy	87	3,688	295	4,070
Rest of Europe	0	194	0	194
Rest of the World	0	3,645	0	3,645
<b>TOTAL</b>	<b>87</b>	<b>7,527</b>	<b>295</b>	<b>7,909</b>
numbers	31.12.2014			
	Property and holding sector	Industrial sector	Marine sector	Group total
Italy	71	3,734	284	4,089
Rest of Europe	0	223	0	223
Rest of the World	0	3,553	0	3,553
<b>TOTAL</b>	<b>71</b>	<b>7,510</b>	<b>284</b>	<b>7,865</b>
numbers	Changes			
	Property and holding sector	Industrial sector	Marine sector	Group total
Italy	16	-46	11	-19
Rest of Europe	0	-29	0	-29
Rest of the World	0	92	0	92
<b>TOTAL</b>	<b>16</b>	<b>17</b>	<b>11</b>	<b>44</b>

The increase in staff compared to 31 December 2014 (+44) is mainly attributable to the industrial sector (+17) and property sector (+16), for the employment of staff on a seasonal basis and on fixed-term contracts to meet the peak demand of summer months.

## Directors' comments on operations

In the first nine months of 2015, the performance of the Immsi Group improved in general compared to the same period of the previous year.

These results point to different trends with reference to the various sectors comprising the Group, based on business trends and the different impact of seasonality.

### Property and holding sector

In thousands of euros	30.09.2015	as a %	30.09.2014	as a %	Change	as a %
Net revenues	3,963		3,920		43	1.1%
Operating income before depreciation and amortisation (EBITDA)	716	n/m	-2,762	n/m	3,478	125.9%
Operating income (EBIT)	353	n/m	-3,169	n/m	3,522	111.1%
Profit before tax	-10,186	n/m	-53,663	n/m	43,477	81.0%
Earnings for the period including the portion attributable to non-controlling interests	-7,214	n/m	-49,791	n/m	42,577	85.5%
Group earnings for the period (for consolidation purposes)	-3,988	n/m	-46,199	n/m	42,211	91.4%
Net debt	-319,865		-285,637		-34,228	-12.0%
Personnel (number)	87		86		1	1.2%

Overall, the **property and holding sector** reported a loss (for consolidation purposes) in the first nine months of 2015 equal to 4 million euros, improving over the same period of the previous year, mainly due to: 1) the recognition of income equal to 2.7 million euros, concerning forfeiture of the deposit paid by Como S.r.l. in 2005 when signing the preliminary contract for the purchase of property in Pietra Ligure, after it defaulted on the contractual terms; 2) the recognition of income of 1.27 million euros from the enforcement by Is Molas S.p.A. of two sureties relating to procurement contracts with Italiana Costruzioni S.p.A., following a court order issued in the subsidiary's favour for breach of contract by the contractor; 3) the recognition in the first nine months of 2014 of a 40,850 thousand euro write-down relative to the impairment loss recognised for the investment in Alitalia – Compagnia Aerea Italiana S.p.A. ("Alitalia – CAI"), after impairment testing of the recoverability of its carrying amount.

Net debt for the sector amounted to 319.9 million euros, compared with 300.2 million euros and 285.6 million euros as of 31 December 2014 and 30 September respectively. The change in net debt was adversely affected by the reversal of consolidation entries for 24 million euros, recognised since 2006 to reverse the effects of the payment made by Pietra S.r.l. to Intermarine for the purchase of the future receivable arising from the preliminary contract with Como S.r.l., in order to eliminate the effects of intergroup transactions. Similarly, the change in net debt for the marine sector was positive, as indicated below.

Following the demerger of the property site at Pietra Ligure from Intermarine, establishing a newco (Pietra Ligure S.r.l.), a transaction intended to create conditions for valuing this property project, this adjustment was no longer recognised, so the marine sector and property and holding sector as of 30 September 2015 recorded actual net debt.

The operating outlook of main companies belonging to the sector in the first nine months of 2015 is described below, with reference to the separate financial statements of each company (therefore including intergroup eliminations).

In the first nine months of 2015, the **Parent Company Immsi S.p.A** recorded an operating loss of approximately 0.6 million euros (compared to a loss of 0.4 million euros in the first nine months of the previous year), a balance of financing activities, given by the difference between financial income and borrowing costs, amounting to 14.7 million euros, mainly attributable to Piaggio dividends collected during 2015 for 13.2 million euros and the capital gain realised from the sale of Piaggio shares for 2.7 million euros (improving on the negative amount of 42.2 million euros for the first nine months of 2014, mainly attributable to the recognition of a write-down equal to 40.9 million euros, which was necessary following impairment testing as of 30 June 2014 on the recoverability of the carrying amount of the investment held in Alitalia - CAI). These financial items resulted in a net profit as of 16 million euros as of 30 September 2015, and a loss of 41 million euros as of 30 September 2014.

In preparing this Interim Report on Operations as of 30 September 2015, the Parent Company did not carry out any specific impairment testing on the carrying amount of investments held in companies consolidated on a line-by-line basis, as these investments and any changes resulting from relative impairment tests would have been eliminated in full during consolidation. With reference to the investment in Alitalia - CAI, in the absence of significant changes compared to testing indicated in the 2014 financial statements, reference is made to comments in the Directors' Report on Operations and Financial Statements of the Immsi Group as of 31 December 2014.

Net financial debt as of 30 September 2015 amounted to 76.8 million euros, down by approximately 9 million euros compared to figures as of 31 December 2014, mainly as a result of net cash flows generated by Company operations and in particular cash flows of approximately 13.2 million euros of dividends from the subsidiary Piaggio, the sale of 1.9 million Piaggio Shares for 5,206 million euros and the payment in January 2015 of approximately 1 million euros as "payment for a future capital increase", in compliance with the Stand-by Equity Commitment undertaken in September 2014 to subscribe and release for a maximum of 10 million euros the capital increase resolved by the shareholders' meeting of Alitalia - CAI on 25 July 2014.

As regards the subsidiary **Is Molas S.p.A.**, with revenues from tourism/hospitality/golf for the first nine months of 2015 basically in line with figures for the same period of 2014, in terms of margins, the company recorded an operating loss of 1.3 million euros (compared to a loss of 2.6 million euros as of 30 September 2014), and a net loss (for consolidation purposes) of 1.1 million euros (improving compared to the first nine months of 2014 by approximately 0.5 million euros), mainly relative to the recognition of income for a total of 1.27 million euros arising from the collection of two guarantees relative to contracts with Italiana Costruzioni S.p.A., following a court ruling in favour of Is Molas S.p.A. concerning breach of the contractor.

Net debt of the Company amounted to 43.2 million euros, with a cash flow of 0.6 million euros compared to 31 December 2014 (43.8 million euros): this change refers to net cash flow absorbed by operating activities of approximately 1.6 million euros and the payment of 2.5 million euros by the shareholder ISM Investimenti S.p.A. in relation to the subscription and payment of the capital increase, chiefly aimed at launching the property business, only partially offset by investments in property, plant and equipment, equal to 0.3 million euros.

With reference to the **Pietra Ligure project** (Pietra S.r.l.), in the first nine months of 2015, the document was signed relating to the planning agreement and the spin-off from Intermarine S.p.A. of the Newco Pietra Ligure S.r.l., to which the Pietra Ligure property portfolio was transferred with the relevant concession and planning agreement. Since the conditions precedent set out in the preliminary contract with Como S.r.l. for the sale of the Newco formed for this purpose had been met, and since the contractual deadline had elapsed without the other party fulfilling its obligations, the deposit was forfeited.

Even before the deadline, the buyer had disclosed that it did not intend to proceed with the preliminary contract of sale for the property portfolio, requesting enforcement of the bank guarantee issued as security for the deposit. Intermarine has formally asked the counterparty to proceed with the signing of the final contract and has lodged an appeal at the Court of Rome,

under Article. 700 of the Italian Code of Civil Procedure, in order to inhibit the enforcement of the aforementioned guarantee. The Judge for the hearing overturned the appeal, claiming that the natural venue for the examination of the merits and grounds for enforcement of the guarantee was during appeal, brought by Banco Popolare soc.coop. against the injunction presented by Como S.r.l., in the hearing of which the Judge of the Court of Rome overturned the application for provisional enforcement made by Como S.r.l., adjourning the hearing to 27 April 2016 for preliminary rulings.

Intermarine S.p.A. also served a writ of summons on Como S.r.l. for compensation for damages for the serious and repeated breach of the latter in *inter partes* relations. The hearing before the Court of Rome has been set for 15 January 2016.

The demerger of **Pietra Ligure S.r.l.**, following the above operations, basically resulted in a loss of 0.1 million euros.

With reference to the subsidiary **Apuliae S.p.A.** no further information is available in addition to comments in the Directors' Report on Operations and Financial Statements of the Immsi Group as of 31 December 2014, to which reference is made. As of 30 September 2015, the company posted a substantial break-even position, with net financial debt essentially unchanged from 31 December 2014 and amounting to 0.3 million euros.

Other companies in the property and holding sector include RCN Finanziaria S.p.A. and ISM Investimenti S.p.A.:

- **RCN Finanziaria S.p.A.**, in which Immsi S.p.A. holds 63.18% and Intermarine S.p.A. is the sole member, recorded a net loss for consolidation purposes for the Immsi Group of approximately 2.2 million euros, in line with the previous year, and net financial debt of 120.1 million euros as of 30 September 2015 (118.7 as of 31 December 2014);
- **ISM Investimenti S.p.A.**, in which Immsi S.p.A. holds 72.64% in terms of voting rights, and which controls Is Molas S.p.A. with an 89.48% share, recorded a net loss for consolidation purposes for the Immsi Group equal to approximately 2.1 million euros, in line with the previous year, and a net financial debt as of 30 September 2015 of 77 million euros, an increase of approximately 3.4 million euros compared to 31 December 2014, mainly due to the previous payment of 2.5 million euros for the subscription and payment of the capital increase in the subsidiary Is Molas S.p.A..

## Industrial sector

In thousands of euros	30.09.2015	as a %	30.09.2014	as a %	Change	as a %
Net revenues	1,002,603		930,821		71,782	7.7%
Operating income before depreciation and amortisation (EBITDA)	135,686	13.5%	135,353	14.5%	333	0.2%
Operating income (EBIT)	58,078	5.8%	69,616	7.5%	-11,538	-16.6%
Profit before tax	30,525	3.0%	36,458	3.9%	-5,933	-16.3%
Earnings for the period including the portion attributable to non-controlling interests	18,315	1.8%	21,875	2.4%	-3,560	-16.3%
Group earnings for the period (for consolidation purposes)	9,165	0.9%	11,002	1.2%	-1,837	-16.7%
<i>Adjusted earnings for the period including non-controlling interests *)</i>	18,315	1.8%	23,643	2.5%	5,328	-22.5%
<i>Adjusted Group earnings for the period (for consolidation purposes) *)</i>	9,165	0.9%	11,893	1.3%	2,728	-29.8%
Net debt	-495,844		-437,902		-57,942	-13.2%
Personnel (number)	7,527		8,141		-614	-7.5%

\*) net of non-recurrent charges.

In the first nine months of 2015, the Piaggio Group sold 396,200 vehicles worldwide, registering a decrease of approximately 5% in volumes over the same period of the previous year, when 417,200 vehicles were sold.

The number of vehicles sold went down in EMEA and the Americas (-0.7%), in India (-7.9%) and in Asia Pacific 2W (-9.8%). As regards the type of products sold, the decrease was greater for the Commercial Vehicles segment (-8%) and two-wheeler segment (-3.3%).

In terms of consolidated turnover, the Group closed the first nine months of 2015 with higher net revenues compared to the same period in 2014 (+7.7%). Growth, due mainly to the devaluation of the euro against Asian currencies and the dollar, was more noticeable in India (+9.8%) and Asia Pacific (+9.7%). The decrease in units sold was offset by a shift in the mix towards products with a greater unit value (+32.9% turnover from motorcycles), and by the premium prices policy. As regards product types, the increase in turnover mainly referred to Commercial Vehicles (+10.7%), but was also significant for two-wheeler vehicles (+6.5%). As a result, the percentage of two-wheeler vehicles accounting for overall turnover dropped from 70.7% in the first nine months of 2014 to the current figure of 69.9%; vice versa, the percentage of Commercial Vehicles accounting for overall turnover rose from 29.3% in the first nine months of 2014 to the current figure of 30.1%.

Consolidated operating income before depreciation and amortisation (EBITDA) for the first nine months of 2015 improved compared to the same period of the previous year and was equal to 135.7 million euros (135.4 million euros in the first nine months of 2014). In relation to turnover, EBITDA stood at 13.5% compared to 14.5% for the first nine months of 2014. In terms of Operating Income (EBIT), performance was negative compared to the first nine months of 2014, with a consolidated EBIT equal to 58.1 million euros, down by 11.5 million euros; in relation to turnover, EBIT amounted to 5.8% compared to 7.5% for the same period of the previous year.

The result of financing activities improved compared to the first nine months of the previous year by 5.6 million euros, with net charges amounting to 27.6 million euros (33.2 million euros as of 30



September 2014). The reduction is due to lower borrowing costs, following the refinancing operations carried out in 2014 and which led to the recognition of non-recurrent borrowing costs of 2,947 thousand being recognised in the first nine months of 2014, as well as to an increase in income from equity-accounted investments and a positive contribution from currency operations, which more than offset the effects of higher average debt for the period.

Net profit stood at 18.3 million euros (1.8% of turnover), down on the figure for the same period of the previous year, which was equal to 21.9 million euros (2.4% of turnover).

The portion of net profit which may be consolidated for the Immsi Group in the first nine months of 2015 amounted to 9.2 million euros (also in line with figures for the same period of the previous year).

Net financial debt as of 30 September 2015 was equal to 495.8 million euros, compared to 492.8 million euros as of 31 December 2014. The increase of approximately 3 million euros is due to the positive trend of operating cash flow which basically offset the payment of dividends (26 million euros) and the investment programme.

## Marine sector

In thousands of euros	30.09.2015	as a %	30.09.2014	as a %	Change	as a %
Net revenues	45,963		39,256		6,707	17.1%
Operating income before depreciation and amortisation (EBITDA)	648	1.4%	-4,950	-12.6%	5,598	113.1%
Operating income (EBIT)	-285	-0.6%	-5,900	-15.0%	5,615	95.2%
Profit before tax	-4,468	-9.7%	-10,067	-25.6%	5,599	55.6%
Earnings for the period including the portion attributable to non-controlling interests	-3,537	-7.7%	-7,612	-19.4%	4,075	53.5%
Group earnings for the period (for consolidation purposes)	-2,235	-4.9%	-4,810	-12.3%	2,575	53.5%
Net debt	-97,286		-115,498		18,212	15.8%
Personnel (number)	295		296		-1	-0.3%

With reference to economic data for the **marine sector** (Intermarine S.p.A.), the first nine months of 2015 registered an increase in net sales revenues of 17.1% (comprising turnover and changes in contract work in progress) compared to the same period of the previous year, with the figure amounting to 46 million euros compared to 39.3 million euros in the same period of 2014. The progress in production, including the activities of research and development, and the completion of the constructions and deliveries have concerned particularly:

- the Defence division, with 43.2 million euros (36.5 million in the first nine months of 2014), for recharged costs and progress mainly concerning activities to modernise Gaeta minesweepers of the Italian Navy, the construction and supply of logistics services for the Guardia di Finanza [Italian tax police], the construction of the remaining minesweeper for the Finnish Navy, the contract with an Asian shipyard and the contract for the integrated minesweeper platform for an Italian group operating in the sector;
- the Fast Ferries and Yacht division, with a total of 2.8 million euros (in line with the first nine months of 2014), mainly for repair activities.

Production was characterised by volumes and margins that overall were not sufficient to absorb direct production costs and overheads. progress made in the last contracts obtained made it possible to considerably reduce negative margins compared to the previous year.

In the Fast Ferries and Yacht sector, no significant sales contracts for new and previously owned vessels were acquired.

In addition, the company, forecasting a stable and significant market recovery and developments on the sales front, which are crucial for absorbing indirect costs and overheads to an adequate degree, exploited every opportunity to contain overheads in 2015. At the same time, commercial activities continued in all the operational businesses of the company, trying to capture favourable commercial opportunities.

In view of the above, an operating loss of 0.3 million euros was recorded for the first nine months of 2015, improving by approximately 5.6 million euros compared to the same period of the previous year (when this figure stood at a loss of 5.9 million euros). As regards profit before tax, a negative amount of 4.5 million euros was recorded (compared to a negative amount of 10.1 million euros in the same period of 2014) while net loss for consolidation purposes for the Immsi Group amounted to 2.2 million euros as of 30 September 2015, compared to a loss of 4.8 million euros recorded in the same period of the previous year.

In financial terms, net financial debt, equal to 97.3 million euros as of 30 September 2015, was down by approximately 19.4 million euros compared to the balance as of 31 December 2014, mainly due to certain consolidation items no longer being recognised; these items affected net financial debt and amounted to 24 million euros, recognised since 2006 to reverse the effects of the payment of this amount by Pietra S.r.l. to Intermarine S.p.A. for the purchase of the future receivable arising from the preliminary contract with Como S.r.l., in order to eliminate the effects of intergroup transactions. Conversely, the increase in net working capital of the company, of which approximately 6 million euros for work carried out during the first nine months of 2015 represents the most significant cash outflow for the period.

## Subsequent events and outlook

No significant events occurred after 30 September 2015.

As regards the operating outlook of the Immsi Group, with reference to the subsidiary **Is Molas S.p.A.**, the company will proceed with the urban infrastructure works and works for completion of the first phase of 15 villas.

As regards the **industrial sector**, in a macroeconomic context in which the recovery of the global economy will probably consolidate, but which is still affected by uncertainties over the growth rate in Europe and risks of a slowdown in some emerging countries, the Group is committed, in commercial and industrial terms, to profiting from such foreseen recovery in the European two-wheeler market by:

- further consolidating the product range and targeting a growth in sales and margins in the motorcycle segment, with the restyled Moto Guzzi and Aprilia ranges;
- entering the electrical bicycle market, leveraging technological and design leadership;
- maintaining current positions on the European commercial vehicles market.

During 2015, actions will target the following:

- consolidating its position in Asia Pacific, leveraging its premium strategy that has been the driver of growth in this region, thanks to an expansion of its product range. During 2015, direct sales activities of the Group will be consolidated in China, with the aim of penetrating the premium two-wheeler market;
- consolidating sales on the Indian scooter market, focussing on an increase in Vespa products and the introduction of new models in the premium scooter and motorcycle segments;
- boosting its position on the Commercial Vehicles market in India and in emerging countries, targeting a further development of exports to African and Latin American markets.

In technological terms, the Piaggio Group will continue to develop technologies and platforms that underline the functional aspects and emotional appeal of vehicles with ongoing developments to engines, extended use of vehicle/user digital platforms and the trialling of new product and service configurations.

With reference to the **marine sector** (Intermarine S.p.A.), it is pointed out how – in the current context of a global economic crisis – the company aims to grow significantly in the Defence sector, which does not appear to be experiencing the same problems as the pleasure craft and passenger transport markets. Pending the acquisition and operation of new contracts, particularly in the Defence sector, Company Management will strictly monitor the production progress of ongoing contracts and will continue to pursue all possible strategies to reduce overheads.

In view of the progress to make in 2015 for ongoing contracts and developments for new contracts, operating income for 2015 is expected to improve over 2014.

In financial terms, positive developments are expected as regards net financial exposure, due to advances collected from new contracts that will mainly be used to pay advances to suppliers to start production activities and to settle amounts payable concerning other ongoing contracts.

## Segment reporting

The application of 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 company management utilises to allocate resources and assess performance.

The information for operating segments presented below reflects the internal reporting system utilised by management for making strategic decisions. In this respect, as regards the different *business areas* – where possible – information is provided relating to the property and holding sector, industrial and naval sectors.

### **Primary sector: *business areas***

#### **Income statement as of 30 September 2015**

In thousands of euros	<i>Sector property and holding</i>	<i>Sector industrial</i>	<i>Sector marine</i>	<i>Group Immsi</i>
Net revenues to non-controlling interests	3,963	1,002,603	45,963	1,052,529
Intercompany net revenues				0
<b>NET REVENUES</b>	<b>3,963</b>	<b>1,002,603</b>	<b>45,963</b>	<b>1,052,529</b>
<b>OPERATING INCOME</b>	<b>353</b>	<b>58,078</b>	<b>-285</b>	<b>58,146</b>
Income/(loss) from equity investments	0	281	0	281
Financial income				15,850
Borrowing costs				58,406
<b>PROFIT BEFORE TAX</b>				<b>15,871</b>
Taxes				8,307
<b>EARNINGS AFTER TAXES FROM CONTINUING OPERATIONS</b>				<b>7,564</b>
Profit (loss) arising from assets held for disposal or sale				0
<b>EARNINGS FOR THE PERIOD INCLUDING THE PORTION ATTRIBUTABLE TO NON-CONTROLLING INTERESTS</b>				<b>7,564</b>
Earnings for the period attributable to non-controlling interests				4,622
<b>GROUP EARNINGS FOR THE PERIOD</b>				<b>2,942</b>

#### **Statement of financial position as of 30 September 2015**

In thousands of euros	<i>Sector property and holding</i>	<i>Sector industrial</i>	<i>Sector marine</i>	<i>Group Immsi</i>
Segment assets	368,092	1,596,771	252,644	2,217,507
Equity investments in associated companies	0	177	13	190
<b>TOTAL ASSETS</b>	<b>368,092</b>	<b>1,596,948</b>	<b>252,657</b>	<b>2,217,697</b>
<b>TOTAL LIABILITIES</b>	<b>326,884</b>	<b>1,186,911</b>	<b>256,250</b>	<b>1,770,045</b>

## Other information as of 30 September 2015

In thousands of euros	<i>Sector property and holding</i>	<i>Sector industrial</i>	<i>Sector marine</i>	<i>Group Immsi</i>
Investments in plant, property and equipment and intangible assets	369	68,190	399	68,958
Depreciation, amortisation and write-downs	378	78,617	1,623	80,618
Cash flow from operating activities	-12,138	90,672	-4,813	73,721
Cash flow from investing activities	3,834	-67,385	-244	-63,795
Cash flow from financing activities	9,162	-9,762	4,291	3,691

## Secondary sector: geographical areas

The following table presents the Group's financial position and performance as of 30 September 2015 in relation to geographic segments "of origin", i.e. referring to the country of the company that realised the revenues or which owns the assets.

## Income statement as of 30 September 2015

In thousands of euros	<i>Italy</i>	<i>Rest of Europe</i>	<i>India</i>	<i>States United States</i>	<i>Rest of the World</i>	<i>Group Immsi</i>
Net revenues to non-controlling interests	582,732	19,101	260,253	58,785	131,658	1,052,529
Intercompany net revenues						0
<b>NET REVENUES</b>	<b>582,732</b>	<b>19,101</b>	<b>260,253</b>	<b>58,785</b>	<b>131,658</b>	<b>1,052,529</b>

## Statement of financial position as of 30 September 2015

In thousands of euros	<i>Italy</i>	<i>Rest of Europe</i>	<i>India</i>	<i>States United States</i>	<i>Rest of the World</i>	<i>Group Immsi</i>
Segment assets	1,825,447	30,829	183,318	38,138	139,775	2,217,507
Equity investments in associated companies	125	3	0	0	62	190
<b>TOTAL ASSETS</b>	<b>1,825,572</b>	<b>30,832</b>	<b>183,318</b>	<b>38,138</b>	<b>139,837</b>	<b>2,217,697</b>

In thousands of euros	<i>Italy</i>	<i>Rest of Europe</i>	<i>India</i>	<i>States United States</i>	<i>Rest of the World</i>	<i>Group Immsi</i>
<b>Total receivables *</b>	<b>128,249</b>	<b>34,929</b>	<b>26,715</b>	<b>9,308</b>	<b>19,063</b>	<b>218,264</b>
<b>Total payables **</b>	<b>387,727</b>	<b>78,776</b>	<b>97,264</b>	<b>2,574</b>	<b>30,838</b>	<b>597,179</b>

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

\*\*) Payables for Current taxes and Financial liabilities are not included.

## Other information as of 30 September 2015

In thousands of euros	Italy	Rest of Europe	India	States United States	Rest of the World	Group Immsi
Investments in plant, property and equipment and intangible assets	55,228	72	3,734	132	9,792	68,958
Depreciation, amortisation and write-downs	59,335	263	12,965	90	7,965	80,618

For comparability, the corresponding tables referring to 30 September 2014 are shown below:

### Primary sector: business areas

## Income statement as of 30 September 2014

In thousands of euros	Sector property and holding	Sector industrial	Sector marine	Group Immsi
Net revenues to non-controlling interests	3,920	930,821	39,256	973,997
Intercompany net revenues				0
<b>NET REVENUES</b>	<b>3,920</b>	<b>930,821</b>	<b>39,256</b>	<b>973,997</b>
<b>OPERATING INCOME</b>	<b>-3,169</b>	<b>69,616</b>	<b>-5,900</b>	<b>60,547</b>
Income/(loss) from equity investments	0	0	0	0
Financial income				10,081
Borrowing costs				97,900
<b>PROFIT BEFORE TAX</b>				<b>-27,272</b>
Taxes				8,256
<b>EARNINGS AFTER TAXES FROM CONTINUING OPERATIONS</b>				<b>-35,528</b>
Profit (loss) arising from assets held for disposal or sale				0
<b>EARNINGS FOR THE PERIOD INCLUDING THE PORTION ATTRIBUTABLE TO NON-CONTROLLING INTERESTS</b>				<b>-35,528</b>
Earnings for the period attributable to non-controlling interests				4,479
<b>GROUP EARNINGS FOR THE PERIOD</b>				<b>-40,007</b>

## Statement of financial position as of 30 September 2014

In thousands of euros	Sector property and holding	Sector industrial	Sector marine	Group Immsi
Segment assets	356,987	1,609,462	292,621	2,259,070
Equity investments in associated companies	0	204	14	218
<b>TOTAL ASSETS</b>	<b>356,987</b>	<b>1,609,666</b>	<b>292,635</b>	<b>2,259,288</b>
<b>TOTAL LIABILITIES</b>	<b>296,023</b>	<b>1,189,111</b>	<b>292,015</b>	<b>1,777,149</b>

## Other information as of 30 September 2014

In thousands of euros	<i>Sector property and holding</i>	<i>Sector industrial</i>	<i>Sector marine</i>	<i>Group Immsi</i>
Investments in plant, property and equipment and intangible assets	499	57,012	765	58,276
Depreciation, amortisation and write-downs	422	61,314	951	62,687
Cash flow from operating activities	-13,897	87,534	1,142	74,779
Cash flow from investing activities	-1,193	-55,318	718	-55,793
Cash flow from financing activities	12,260	39,414	-3,038	48,636

## Secondary sector: geographical areas

### Income statement as of 30 September 2014

In thousands of euros	<i>Italy</i>	<i>Rest of Europe</i>	<i>India</i>	<i>States United States</i>	<i>Rest of the World</i>	<i>Group Immsi</i>
Net revenues to non-controlling interests	545,992	22,753	237,022	47,894	120,336	973,997
Intercompany net revenues						0
<b>NET REVENUES</b>	<b>545,992</b>	<b>22,753</b>	<b>237,022</b>	<b>47,894</b>	<b>120,336</b>	<b>973,997</b>

### Statement of financial position as of 30 September 2014

In thousands of euros	<i>Italy</i>	<i>Rest of Europe</i>	<i>India</i>	<i>States United States</i>	<i>Rest of the World</i>	<i>Group Immsi</i>
Segment assets	1,897,367	32,661	174,941	30,316	123,785	2,259,070
Equity investments in associated companies	153	3	0	0	62	218
<b>TOTAL ASSETS</b>	<b>1,897,520</b>	<b>32,664</b>	<b>174,941</b>	<b>30,316</b>	<b>123,847</b>	<b>2,259,288</b>

In thousands of euros	<i>Italy</i>	<i>Rest of Europe</i>	<i>India</i>	<i>States United States</i>	<i>Rest of the World</i>	<i>Group Immsi</i>
<b>Total receivables *</b>	<b>120,879</b>	<b>55,183</b>	<b>16,945</b>	<b>4,339</b>	<b>19,425</b>	<b>216,771</b>
<b>Total payables **</b>	<b>478,715</b>	<b>44,128</b>	<b>101,844</b>	<b>2,946</b>	<b>26,374</b>	<b>654,007</b>

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

\*\*) Payables for Current taxes and Financial liabilities are not included.



## Other information as of 30 September 2014

In thousands of euros	<i>Italy</i>	<i>Rest of Europe</i>	<i>India</i>	<i>States United States</i>	<i>Rest of the World</i>	<i>Group Immsi</i>
<b>Investments in plant, property and equipment and intangible assets</b>	51,695	113	4,124	74	2,270	58,276
<b>Depreciation, amortisation and write-downs</b>	49,952	-4,059	10,890	73	5,831	62,687