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PRESS RELEASE

IMMSI GROUP: 2016 HALF-YEAR FINANCIAL STATEMENTS

Consolidated net sales 736.1 million euro, up 1.5% (+3.4% at constant exchange rates) (725.6 €/mln in H1 2015)

Ebitda 98.4 million euro, up 2.3% (96.2 €/mln in H1 2015)

Ebit 43.9 million euro, up 1.7% (43.2 €/mln in H1 2015)

Consolidated net profit of 2.6 million euro (3.3 €/mln in H1 2015)

Net financial position -903.7 million euro an improvement of 23 €/mln from -926.7 €/mln at 31 December 2015 and an improvement of 48.3 €/mln from -952 €/mln at 30 June 2015

Mantua, 29 August 2016 – At a meeting today chaired by Roberto Colaninno the **Immsi S.p.A.** Board of Directors examined and approved the half-year report at 30 June 2016.

Immsi Group: first half 2016

The performance of the Immsi Group in the first half of 2016, compared with the year-earlier period, shows **growth in consolidated net sales, Ebitda and Ebit, as well as a significant reduction in financial debt,** which decreased by more than 48 million euro. The first half of 2016 closed with a **consolidated net profit of 2.6 million euro.**

Immsi Group financial performance in the six months to 30 June 2016

Consolidated net sales in the first half to 30 June 2016 were **736.1 million euro, an increase of 10.6 million euro (+1.5%)** from 725.6 million euro in the first half of 2015. At constant exchange rates, the increase was approximately 24 million euro (+3.4%). Of total net sales, 96%, equivalent to 706.5 million euro, arose in the industrial sector (Piaggio Group), 3.7%, or 27.4 million euro, in the naval sector (Intermarine S.p.A.) and the residual amount of approximately 2.2 million euro in the real estate and holding sector (Immsi S.p.A. and Is Molas S.p.A., net of intragroup eliminations).

Immsi Group consolidated **Ebitda** in the six months to 30 June 2016 amounted to **98.4 million euro, an improvement of 2.3%** from 96.2 million euro in the first half of 2015. The Ebitda margin was 13.4% (13.3% at 30 June 2015).

Ebit for the first half of 2016 was **43.9 million euro, up 1.7%** from 43.2 million euro in the year-earlier period. The Ebit margin was constant at 6% of net sales.

Profit before tax in the six months to 30 June 2016 was **18.6 million euro** (2.5% of net sales), up from 15.2 million euro in the first half of 2015.

The Group posted a **consolidated net profit** for the first half of **2.6 million euro** (after tax and the share attributable to minority interests), a slight decrease from 3.3 million euro for the year-earlier period.

At 30 June 2016, the Immsi Group had **net debt** of **903.7 million euro**, an improvement of 23 million euro from the end of 2015 (926.7 million euro) and an improvement of 48.3 million euro from 30 June 2015 (952 million euro).

Immsi Group **consolidated shareholders' equity** was **401.8 million euro** at 30 June 2016 (452.6 million euro at 30 June 2015).

Immsi Group **human resources** at 30 June 2016 numbered **7,399 employees worldwide**. The figure includes the Group's 3,993 Italian employees, unchanged from the figure in the first half of 2015.

Business performance in the first six months to 30 June 2016

Industrial Sector: Piaggio Group

In the industrial sector, in the first half of 2016 the **Piaggio Group** reported **consolidated net sales** of **706.5 million euro** (up 1.8% from 693.9 million euro in the year-earlier period) and an **improvement in all the main financial indicators** compared with the first half of 2015: **Ebitda 101.5 million euro** (+6.7%), **Ebit 47.8 million euro** (+11.3%), **industrial gross margin 216.4 million euro** (+5.9%) and **net profit 18 million euro, an improvement of 21.9%.**
In the first half of 2016, the Piaggio Group sold 276,700 vehicles worldwide (an increase of 2.6% from 269,600 in the first half of 2015), strengthening its **leadership positioning on the European two-wheeler market** with an overall market share of 14.8%, rising to 26% in the scooter sector alone.
In the **two-wheeler sector**, the Group closed the first half of 2016 with **net sales of 507.4 million euro** (an improvement of 2.2% from 496.3 million euro in the first half of 2015); in **commercial vehicles**, **net sales** totalled **199.1 million euro** (197.6 million euro in the first half of 2015).
Analysis of Piaggio Group two-wheeler operations shows excellent results in the **high-wheel** segment, with **strong growth in global revenue**, driven largely by the new **Piaggio Liberty** and **Piaggio Medley ABS scooters,** and by significant performance for the best-selling **Beverly**. The **Vespa brand** strengthened its presence on the **European market**, with **revenues up by 4.7%**. Healthy performance was also reported in **motorcycles**, thanks to an **increase of more than 8% in sales of Moto Guzzi** bikes (notably, the new **V9 Roamer and Bobber**); for the Aprilia brand, the main growth was for the supersport models in the **Tuono V4** range, where **sales increased by 55%.**

Naval Sector: Intermarine S.p.A.

In the naval sector, **Intermarine S.p.A.** reported **net sales of 27.4 million euro** in the first half of 2016 and, based on production schedules, expects a strong increase in the figure in the second half of the year.
Production progress, including R&D work and completion of construction and deliveries, was particularly strong in the **Defence division**, with 25.9 million euro (27.1 million euro in the first half of 2015), and in the **Fast Ferries and Yacht divisions**, whose aggregate revenues totalled 1.5 million euro (2.5 million euro in the first half of 2015), mainly for repair work.
Although revenue was down on 2015, Intermarine reported an earnings improvement for the first half with a loss of 1.8 million euro, compared with a loss of 2.6 million euro in the first half of 2015. In the second quarter of 2016, it posted a profit of approximately 0.3 million euro. The 2016 loss includes net expense of approximately one million euro relating to contractual penalties.
Net financial debt at 30 June 2016 was 86.2 million euro, a reduction of approximately 13.7 million euro from 31 December 2015 (99.9 million euro) and of approximately 14.4 million euro from 30 June 2015 (100.6 million euro), largely due to healthy working capital management.
The Intermarine order backlog stood at approximately 357 million euro at 30 June 2016 (relating mainly to the Defence division), of which approximately 130 million euro awaiting the sole approval of the authorities.

Real estate and holding sector

The real estate and holding sector posted a consolidatable net loss of approximately 5.3 million euro, compared with a net loss of 2.4 million euro for the first half of 2015, arising largely as a result of the recognition in the year-earlier period of income for enforcement of guarantees and definitive retainment of a deposit (for a total amount of 4 million euro), which was not repeated in 2016.
The subsidiary Is Molas, which manages the project for the development of a large luxury Golf Resort in the Sardinian province of Cagliari, is continuing work on the first lot of 15 residences and primary urbanisation works. The sector also continued typical commercial real estate activities and planned meetings with international clients interested in purchasing the residences.

Significant events after 30 June 2016

In July, the Piaggio Group began marketing the Aprilia SR 150 sports scooter in India. While the Group already distributes premium vehicles on the Indian market, the new product takes it into the scooter sector (one of the world's largest markets), where its competitive sales price positions it in the fastest growing segment of the entire scooter market. The commencement of sales of the Aprilia SR 150 scooter heralds the expansion of the product range in India, and will enable Piaggio to implement a new strategy focused on lighter, sportier engines. The scooter was designed in Italy and is produced in the Group factories in Baramati, in the State of Maharashtra. Preliminary sales for delivery in September already reflect a very positive response from the market.

Outlook

With regard to the outlook for the Immsi Group, the subsidiary **Is Molas S.p.A.** will proceed with the urbanisation works and the completion of the first group of 15 residential units.

In the **industrial sector**, in a general economic context likely to see a strengthening of the global economic upturn, where uncertainty will nonetheless remain with regard to the speed of European growth and the risk of a slowdown in some Asian countries in the Far East, **Piaggio Group** commercial and industrial operations will focus on:

- confirming the leadership position on the European two-wheeler market, taking full advantage of the expected recovery through:
  - a further strengthening of the product range, to grow sales and margins in the high-wheel scooter sector with the new Liberty and Medley and in the motorcycle sector, with the renewed Moto Guzzi and Aprilia ranges;
  - entry on to the e-bike market, with the new Piaggio Wi-Bike, leveraging the group's leadership in technology and design;
  - maintenance of current positions on the European commercial vehicle market;
- consolidation in the Asia Pacific region by exploring new opportunities in mid-range motorcycles and replicating the premium strategy in Vietnam throughout the region, with a special focus on the Chinese market;
- strengthening sales on the Indian scooter market by extending the offer of Vespa products and introducing new models in the premium scooter and motorcycle segments for the other Group brands;
- growing commercial vehicle sales in India and the emerging countries, aiming for further growth in exports to Africa and South America.

In the **naval sector** (**Intermarine S.p.A.**), given the current international and industry crisis, the company is targeting significant growth in the Defence business, which seems less adversely affected than the yacht and ferry markets. Pending the start-up of production on all the new orders, particularly in the Defence division, the company management will:

- closely monitor production progress on existing orders;
- continue to take all possible measures to contain overheads.

In light of the production advances that will take place on current contracts in 2016 and the developments expected on new contracts, for full-year 2016 the naval sector expects to report increased value of production and significantly improved positive operating results compared with 2015.
In financial terms, the naval sector expects an important reduction in its net financial debt, with practically neutral annual cash flows.

* * *

The manager in charge of preparing the company accounts and documents, Andrea Paroli, certifies, pursuant to paragraph 2 of art. 154-*bis* of the Consolidated Law on Financial Intermediation, that the accounting disclosures in this statement correspond to the accounting documents, ledgers and entries.

This press release may contain forward-looking statements relating to future events and Immsi Group business and financial results. By their nature, these statements are subject to inherent risks and uncertainties, since they relate to events and depend on circumstances that may or may not occur or exist in the future. Actual results may differ materially from those expressed in such statements as a result of a variety of factors.

This press release contains a number of indicators that, though not yet contemplated by the IFRS ("Non-GAAP Measures"), are based on financial measures envisaged by the IFRS. These indicators – presented in order to assist assessment of the Group's business performance – should not be considered as alternatives to those envisaged by the IFRS and are consistent with those in the Immsi Group 2015 Annual Report and quarterly and half-year reports. Furthermore, since determination of such indicators is not specifically regulated by the IFRS, the methods used may not coincide with those adopted by other companies/groups, and consequently the indicators in question may not be comparable. Specifically, the following alternative performance indicators are used:
- EBITDA: earnings before amortisation and impairment losses on property, plant and equipment and intangible assets, as reflected in the income statement;
- Net financial debt: this reflects financial liabilities (current and non-current), less cash and cash equivalents, and other current financial receivables. Determination of net financial debt does not include other financial assets and liabilities arising from measurement at fair value of derivatives designated as hedges and fair value adjustments of the related hedged items. The schedules in the Immsi Group half-year report at 30 June 2016 include a table illustrating the composition of net financial debt. In compliance with the CESR "Recommendation for consistent implementation of the European Commission regulation on prospectus" of 10 February 2005, the indicator as formulated reflects the values monitored by Group management.

The half-year financial report as at and for the six months ended 30 June 2016 will be available to the public at the company head office, on the Borsa Italiana S.p.A. website www.borsaitaliana.it, in the www.emarketstorage.com authorised storage mechanism and on the issuer's website www.immsi.it (section "Investors/Financial Reports/2016") within the statutory deadline.

The Immsi Group reclassified consolidated income statement and reclassified consolidated statement of financial position are set out below. In compliance with Consob Communication no. 9081707 of 16 September 2009, it should be noted that these reclassified statements have not been audited by the independent auditors.

For further information:
Immsi Press Office
Via Broletto, 13 - 20121 Milan – Italy
Tel. +39 02 31961219
press@immsi.it
www.immsi.it

Immsi Group reclassified consolidated income statement

In thousands of euro	*30.06.2016*		*30.06.2015*		*Change*	
Net sales	**736,124**	**100%**	**725,550**	**100%**	**10,574**	**1.5%**
Cost of materials	410,793	55.8%	419,306	57.8%	-8,513	-2.0%
Cost of services and use of third-party assets	141,870	19.3%	132,814	18.3%	9,056	6.8%
Employee expense	122,164	16.6%	123,431	17.0%	-1,267	-1.0%
Other operating income	52,705	7.2%	62,446	8.6%	-9,741	-15.6%
Other operating expense	15,558	2.1%	16,240	2.2%	-682	-4.2%
EBITDA	**98,444**	**13.4%**	**96,205**	**13.3%**	**2,239**	**2.3%**
Depreciation and impairment tangible assets	23,896	3.2%	24,510	3.4%	-614	-2.5%
Goodwill amortisation	0	-	0	-	0	-
Amortisation and impairment intangible assets with finite life	30,603	4.2%	28,494	3.9%	2,109	7.4%
EBIT	**43,945**	**6.0%**	**43,201**	**6.0%**	**744**	**1.7%**
Results of associates	697	0.1%	246	0.0%	451	-
Finance income	9,607	1.3%	12,592	1.7%	-2,985	-23.7%
Finance costs	35,644	4.8%	40,801	5.6%	-5,157	-12.6%
PROFIT BEFORE TAX	**18,605**	**2.5%**	**15,238**	**2.1%**	**3,367**	**22.1%**
Income tax	10,880	1.5%	7,288	1.0%	3,592	49.3%
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	**7,725**	**1.0%**	**7,950**	**1.1%**	**-225**	**-2.8%**
Profit for the period from discontinued operations	0	-	0	-	0	-
PROFIT FOR THE PERIOD INCLUDING MINORITY INTERESTS	**7,725**	**1.0%**	**7,950**	**1.1%**	**-225**	**-2.8%**
Minority interests	5,103	0.7%	4,634	0.6%	469	10.1%
GROUP PROFIT FOR THE PERIOD	**2,622**	**0.4%**	**3,316**	**0.5%**	**-694**	**-20.9%**

Immsi Group reclassified consolidated statement of financial position

In thousands of euro	*30.06.2016*	*in %*	*31.12.2015*	*in %*	*30.06.2015*	*in %*
Current assets:						
Cash and cash equivalents	158,902	7.1%	124,510	5.8%	126,572	5.5%
Financial assets	0	0.0%	0	0.0%	0	0.0%
Operating assets	588,564	26.3%	532,092	24.7%	688,732	29.9%
Total current assets	**747,466**	**33.4%**	**656,602**	**30.5%**	**815,304**	**35.3%**
Non-current assets:						
Financial assets	0	0.0%	0	0.0%	0	0.0%
Intangible assets	848,200	37.9%	852,211	39.5%	849,981	36.9%
Property, plant, equipment	336,355	15.0%	343,465	15.9%	342,694	14.9%
Other assets	306,607	13.7%	303,420	14.1%	298,442	12.9%
Total non-current assets	**1,491,162**	**66.6%**	**1,499,096**	**69.5%**	**1,491,117**	**64.7%**
TOTAL ASSETS	**2,238,628**	**100.0%**	**2,155,698**	**100.0%**	**2,306,421**	**100.0%**
Current liabilities:						
Financial liabilities	573,814	25.6%	426,074	19.8%	344,989	15.0%
Operating liabilities	653,340	29.2%	559,908	26.0%	650,753	28.2%
Total current liabilities	**1,227,154**	**54.8%**	**985,982**	**45.7%**	**995,742**	**43.2%**
Non-current liabilities:						
Financial liabilities	488,801	21.8%	625,088	29.0%	733,551	31.8%
Other non-current liabilities	120,880	5.4%	116,534	5.4%	124,526	5.4%
Total non-current liabilities	**609,681**	**27.2%**	**741,622**	**34.4%**	**858,077**	**37.2%**
TOTAL LIABILITIES	**1,836,835**	**82.1%**	**1,727,604**	**80.1%**	**1,853,819**	**80.4%**
TOTAL SHAREHOLDERS' EQUITY	**401,793**	**17.9%**	**428,094**	**19.9%**	**452,602**	**19.6%**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,238,628**	**100.0%**	**2,155,698**	**100.0%**	**2,306,421**	**100.0%**

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