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PRESS RELEASE

IMMSI GROUP: RESULTS AT 30 SEPTEMBER 2016

**Consolidated net sales 1,079.4 million euro, up 2.5% (+4.3% at constant exchange rates)
(1,052.5 €/mln at 30 September 2015)**

**Ebitda 139.5 million euro, up 1.8% (+3% at constant exchange rates)
(137.1 €/mln at 30 September 2015)**

**Ebit 57.3 million euro
(58.1 €/mln at 30 September 2015)**

**Consolidated net profit of 0.8 million euro (2.9 €/mln at 30 September 2015),
after tax for the period of 12.8 million euro
(+4.5 €/mln from 8.3 €/mln at 30 September 2015)**

**Net financial position -894.5 million euro
an improvement of 32.2 €/mln from -926.7 €/mln at 31 December 2015 and
an improvement of 18.5 €/mln from -913 €/mln at 30 September 2015**

**Intermarine: company turnaround completed, with order backlog consolidated at
approximately 350 million euro**

Mantua, 14 November 2016 - At a meeting today chaired by Roberto Colaninno, the **Immsi S.p.A.** Board of Directors examined and approved the interim report on operations for the nine months to 30 September 2016.

Immsi Group: first nine months 2016

The performance of the Immsi Group in the first nine months of 2016, compared with the year-earlier period, reflects growth in net sales, Ebitda and profit before tax, as well as an improvement in the net financial position. The first nine months of 2016 closed with a **consolidated net profit of 0.8 million euro, after tax of 12.8 million euro** (+4.5 million euro compared with tax in the nine months to 30 September 2015).

Immsi Group financial and business performance in the nine months to 30 September 2016

Consolidated net sales in the nine months to 30 September 2016 were **1,079.4 million euro, an increase of 26.8 million euro** (+2.5%, +4.3% at constant exchange rates) from 1,052.5 million euro in the first nine months of 2015. Of total net sales, 95.6%, equivalent to 1,031.7 million euro, arose in the industrial sector (Piaggio Group), 4%, or 43.5 million euro, in the naval sector (Intermarine S.p.A.) and the residual amount of approximately 4.1 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 nine months to 30 September 2016 amounted to **139.5 million euro, an increase of 1.8% (+3% at constant exchange rates)** from 137.1 million euro in the first nine months of 2015. The Ebitda margin was 12.9%, in line with the margin at 30 September 2015.

Ebit was **57.3 million euro**, substantially in line with the figure for the first nine months of 2015. The Ebit margin was substantially constant at 5.3% of net sales (5.5% at 30 September 2015).

Profit before tax in the first nine months of 2016 was **18.3 million euro** (1.7% of net sales), up from 15.9 million euro in the first nine months of 2015.

The Group reported a **consolidated net profit** for the nine months to 30 September 2016 of **0.8 million euro**, down from 2.9 million euro in the year-earlier period, after **an increase of 4.5 million euro in tax** (12.8 million euro at 30 September 2016 compared with 8.3 million euro at 30 September 2015).

Immsi Group **net financial debt** at 30 September 2016 stood at **894.5 million euro**, an improvement of 32.2 million euro from -926.7 million euro at 31 December 2015 and of 18.5 million euro from -913 million euro at 30 September 2015.

Immsi Group **human resources** at 30 September 2016 numbered **7,567 employees worldwide**. The figures includes the Immsi Group's 3,955 Italian employees, substantially unchanged from the end of 2015.

Business performance in the first nine months to 30 September 2016

Industrial Sector: Piaggio Group

In the industrial sector, at 30 September 2016 the **Piaggio Group** reported an **improvement in all its main business and financial indicators** compared with the first nine months of 2015: **consolidated net sales were 1,031.7 million euro**, up 2.9%, **Ebitda was 141.5 million euro** (+4.3%), **Ebit was 60.5 million euro** (+4.2%), and **net profit was 19.2 million euro**, an **improvement of 4.6%**.

The Piaggio Group also reduced its **net financial debt**: at 30 September 2016 it had net debt of **469.5 million euro**, down 28.6 million euro from 31 December 2015 and down 26.3 million euro from 30 September 2015.

In the first nine months of 2016, the **Piaggio Group sold 411,700 vehicles worldwide** (a volume increase of approximately 3.9% from 396,200 in the year-earlier period), **strengthening its leadership positioning on the European two-wheeler market** with an overall market share of 15.5%, rising to 25.9% in the scooter sector alone.

In the **two-wheeler** segment, the Group shipped **266,400 vehicles worldwide** (+6.1%), **for net sales of 730 million euro**, an increase of 4.1% from the first nine months of 2015.

Revenues increased for scooters, in particular in the "high-wheel" segment thanks to the new Piaggio Liberty, the Beverly and the new Piaggio Medley ABS (which entered the market segment increasing the share for Group vehicles), while the **Vespa brand showed growth specifically on the European market, with an increase of 3.6%**. **Healthy performance** was also reported by the Group's **motorcycle sector**, with an 8% improvement in Moto Guzzi sales (including the new V9 Roamer and Bobber and the first sales of the MGX-21), and progress at Aprilia, notably for the supersport Tuono V4 models, where sales rose by 43.4%.

In the **commercial vehicles** sector, the Group sold **145,300 vehicles, for net sales of 301.7 million euro**.

Naval Sector: Intermarine S.p.A.

In the naval sector, **Intermarine S.p.A. reported net sales of 43.5 million euro for the first nine months of 2016** (46 million euro in the year-earlier period), and a **significant improvement in Ebitda to 1.3 million euro**, a strong increase from 0.6 million euro in the year-earlier period. **Ebit was 0.5 million euro** (negative Ebit of 0.3 million euro at 30 September 2015), and the **loss for the period of one million euro reflected a sharp improvement** compared with the loss of 2.2 million euro for the first nine months of 2015. The 2016 loss includes net expense of approximately 1.5 million euro relating to contractual penalties.

An improvement was also reported in net financial debt, with a reduction of approximately 17.8 million euro to 82 million euro from 31 December 2015 (99.9 million euro), largely as a result of the healthy performance of current operations.

Production progress, including R&D work and completion of construction and deliveries, was particularly strong in the **Defence division**, at **41.2 million euro** (43.2 million euro in the first nine months of 2015), and in the **Fast Ferries and Yacht divisions**, whose aggregate revenues totalled **2.3 million euro** (2.8 million euro in the first nine months of 2015), mainly for repair work.

Real Estate and Holding sector

Net sales in the Real Estate and Holding sector in the nine months to 30 September 2016 amounted to approximately 4.1 million euro, an improvement of 3.6% from 3.9 million euro in the first nine months of 2015.

The subsidiary **Is Molas S.p.A.**, 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 construction of the 4 showhomes has been substantially completed and commercial operations typical of the real estate sector continue, to identify possible national/international purchasers.

Significant events after 30 September 2016

On 2 November, Intermarine S.p.A. delivered the third minehunter in the *Katanpää* class to the Finnish Navy. With this delivery, Intermarine has successfully completed the contract to supply the Finnish Navy with three minehunters. These naval vessels are used largely for national defence: they are EU- and NATO-operations capable and designed for international crisis management.

On 8 November, at the EICMA international bicycle and motorcycle show in Milan, the Piaggio Group presented its main new product entries for 2017. These include a new range of Aprilia 900 and 125cc two-wheelers, the new Moto Guzzi V7III, and for the Vespa brand, in addition to the (VESPA 946)RED, the Group presented the Vespa Elettrica project.

On 9 November, it was announced that Intermarine had received the necessary approvals from the authorities on a number of contracts, which are now effective, and had consequently consolidated its order backlog at approximately 350 million euro.

Outlook

The **Is Molas S.p.A.** subsidiary will continue urbanisation works, work to complete the first batch of 15 residences and commercial operations for the sale of the residences.

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

- 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, and entry on to the electric bicycle market with the new Piaggio Wi-Bike;
 - 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**, 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 2016 the naval sector expects to report increased value of production and a significant improvement in 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.

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Law no. 25 of 2016 enacting the new Transparency directive has eliminated the obligation to publish interim reports on operations. The law empowers Consob to issue regulations regarding eventual mandatory disclosures in addition to the annual report and the half-year report. The decision to continue publishing information on the performance of the Immsi Group in the first quarter and the first nine months was taken to provide continuity with the past, also in light of the changes in regulations. In this connection, with Resolution no. 19770 of 26 October 2016, Consob approved the amendments to the Issuers Regulation regarding interim reports on operations (additional quarterly financial disclosures), with the introduction of the new article 82-ter. The new regulations apply as from 2 January 2017.

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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 interim report on operations for the nine months to 30 September 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 interim report on operations as at and for the nine months to 30 September 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:

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Immsi Group reclassified consolidated income statement

In thousands of euro	30.09.2016		30.09.2015		Change	
Net sales	1,079,361	100%	1,052,529	100%	26,832	2.5%
Cost of materials	610,301	56.5%	603,528	57.3%	6,773	1.1%
Cost of services and use of third-party assets	206,402	19.1%	201,159	19.1%	5,243	2.6%
Employee expense	176,316	16.3%	176,114	16.7%	202	0.1%
Other operating income	74,789	6.9%	86,468	8.2%	-11,679	-13.5%
Other operating expense	21,605	2.0%	21,146	2.0%	459	2.2%
EBITDA	139,526	12.9%	137,050	13.0%	2,476	1.8%
Depreciation and impairment tangible assets	34,641	3.2%	35,863	3.4%	-1,222	-3.4%
Goodwill amortisation	0	-	0	-	0	-
Amortisation and impairment intangible assets with finite life	47,608	4.4%	43,041	4.1%	4,567	10.6%
EBIT	57,277	5.3%	58,146	5.5%	-869	-1.5%
Results of associates	480	0.0%	281	0.0%	199	-
Finance income	11,511	1.1%	15,850	1.5%	-4,339	-27.4%
Finance costs	50,986	4.7%	58,406	5.5%	-7,420	-12.7%
PROFIT (LOSS) BEFORE TAX	18,282	1.7%	15,871	1.5%	2,411	15.2%
Income tax	12,771	1.2%	8,307	0.8%	4,464	53.7%
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	5,511	0.5%	7,564	0.7%	-2,053	-27.1%
Profit (loss) for the period from discontinued operations	0	-	0	-	0	-
PROFIT (LOSS) FOR THE PERIOD INCLUDING MINORITY INTERESTS	5,511	0.5%	7,564	0.7%	-2,053	-27.1%
Minority interests	4,742	0.4%	4,622	0.4%	120	2.6%
GROUP PROFIT (LOSS) FOR THE PERIOD	769	0.1%	2,942	0.3%	-2,173	-73.9%

Immsi Group reclassified consolidated statement of financial position

In thousands of euro	30.09.2016	in %	31.12.2015	in %	30.09.2015	in %
Current assets:						
Cash and cash equivalents	154,419	7.1%	124,510	5.8%	112,825	5.1%
Financial assets	0	0.0%	0	0.0%	0	0.0%
Operating assets	546,422	25.1%	532,092	24.7%	616,320	27.8%
Total current assets	700,841	32.2%	656,602	30.5%	729,145	32.9%
Non-current assets:						
Financial assets	0	0.0%	0	0.0%	0	0.0%
Intangible assets	842,917	38.7%	852,211	39.5%	848,376	38.3%
Property, plant, equipment	333,353	15.3%	343,465	15.9%	338,323	15.3%
Other assets	302,185	13.9%	303,420	14.1%	301,853	13.6%
Total non-current assets	1,478,455	67.8%	1,499,096	69.5%	1,488,552	67.1%
TOTAL ASSETS	2,179,296	100.0%	2,155,698	100.0%	2,217,697	100.0%
Current liabilities:						
Financial liabilities	527,707	24.2%	426,074	19.8%	349,197	15.7%
Operating liabilities	615,996	28.3%	559,908	26.0%	620,790	28.0%
Total current liabilities	1,143,703	52.5%	985,982	45.7%	969,987	43.7%
Non-current liabilities:						
Financial liabilities	521,178	23.9%	625,088	29.0%	676,623	30.5%
Other non-current liabilities	115,805	5.3%	116,534	5.4%	123,435	5.6%
Total non-current liabilities	636,983	29.2%	741,622	34.4%	800,058	36.1%
TOTAL LIABILITIES	1,780,686	81.7%	1,727,604	80.1%	1,770,045	79.8%
TOTAL SHAREHOLDERS' EQUITY	398,610	18.3%	428,094	19.9%	447,652	20.2%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,179,296	100.0%	2,155,698	100.0%	2,217,697	100.0%

Fine Comunicato n.0368-68

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