

## Board of Statutory Auditors' Report

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**Piaggio & C. S.p.a.**

Registered and administrative office: Viale Rinaldo Piaggio, Pontedera (PI)

Tax code 04773200011

VAT no. 01551260506

**REPORT BY THE BOARD OF STATUTORY AUDITORS TO THE SHAREHOLDERS' MEETING AS PER  
ARTICLE 153 OF LEGISLATIVE DECREE NO. 58/98 (THE "T.U.F.")  
AND ARTICLE 2429 OF THE CIVIL CODE**

To the Shareholders,

In the course of the financial year ending 31 December 2009 the Board of Statutory Auditors of Piaggio & C. S.p.A. (the "Company") carried out its statutory supervisory duties, also taking into account the Consob circulars about company checks and the activities of the Board of Statutory Auditors, and the "*Principi di comportamento del Collegio Sindacale di società quotate nei mercati regolamentati*" [Principles of Conduct for the Board of Statutory Auditors of Companies listed on Regulated Markets] recommended by the *Consiglio Nazionale dei Dottori Commercialisti e dei Ragionieri* [National Council of Professional Accountants].

In the course of the financial year ending 31 December 2009, the Board of Statutory Auditors therefore checked (i) that the law and the memorandum of association were observed, (ii) that the principles of correct administration were respected, (iii) that those aspects of the Company's organisational structure that fall within its remit, as well as the internal audit system and the administrative and accounting system, were adequate, and that this last could be relied upon to give a true picture of operational items, (iv) how the rules on corporate governance specified in the *Codice di Autodisciplina del Comitato per la Corporate Governance delle società quotate* [Self-regulating Code of Practice of the Committee for the Corporate Governance of Listed Companies], adopted by the Company, were actually implemented, and (v) that the directives issued to controlled companies as per Article 114, paragraph 2, of the T.U.F were adequate.

More particularly the Board can report as follows:

1. The Board has verified that the Company operations having the greatest impact on its profits, cash flow and assets – which it learnt about by attending board of directors' meetings and shareholders' meetings and by talking to top management – were in compliance with the law and memorandum of association.

2. The Board did not discover, in the course of the financial year 2009, any atypical and/or unusual inter-company, third-party or related-party transactions.

The ordinary inter-company and related-party transactions, described in the Directors' Report and in the Notes to the Financial Statements, to which we refer you as appropriate, appear to be fair and in the interests of the Company.

3. With regard to the transactions indicated in point 2 above, the Board considers the information provided in the Directors' Report and Notes to the Financial Statements to be adequate.

4. The reports on the financial statements and consolidated financial statements by the audit firm Deloitte & Touche S.p.A., issued pursuant to Article 156 of the T.U.F. on 10 March 2010, are unqualified and/or do not include any emphasis of matter paragraphs; and they certify that the financial statements and consolidated financial statements have been drawn up clearly and give a true and fair view of the Company's profitability, assets and liabilities and financial position, and of its cash flow in the financial year ending 31 December 2009. These reports also certify that the directors' report and the information stated in paragraph 1 c), d), f), l), m) and paragraph 2 b) of Article 123 of the T.U.F. are consistent with the financial statements and consolidated financial statements.

5. In the course of the financial year 2009 and to date the Board has not received any complaints from shareholders as per Article 2408 of the Civil Code.

6. The Board is not aware of any other complaints which it should report here.

7. In the course of the financial year 2009, Deloitte & Touche S.p.A. (the "Audit Firm") received from the Company, for duties additional to auditing, remuneration totalling € 177,000.

8. In the course of the financial year 2009, the affiliates of the Company paid € 13,891 to the Audit Firm and € 505,721 to the Deloitte Network for audit services.

In the course of the same year, the Company and its affiliates paid the Deloitte Network a total amount of € 99,298 for tax advisory services; the Company also paid the Deloitte Network a total amount of € 141,470 for other services.

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In consideration of the above and the declaration issued by the Audit Firm on 10 March 2010, stating that there were no grounds of incompatibility, the Board of Statutory Auditors believes that no critical issues emerged with regard to the independence of the Audit Firm.

9. During the financial year 2009 the Board of Statutory Auditors issued statutory legal opinions and made the required statements (an opinion on the three-year internal audit plan for 2009-2011; a reasoned proposal pursuant to Article 159 of the T.U.F., to amend the audit appointment; an opinion on the remuneration paid to the Chairman and Vice-Chairman; an opinion on co-opting the director Livio Corghi; and a statement of the costs borne for research projects). The content of these opinions was not at variance with the resolutions subsequently adopted by the Board of Directors.

The Board of Statutory Auditors, in compliance with the Self-regulating Code, also verified:

- a) that the criteria and checks used by the Board of Directors when evaluating the independence of its members had been correctly applied, in accordance with the criteria established by law and the Self-regulating Code;
- b) that its own members – already vetted before their appointment – still met the independence requirements in accordance with the criteria established by law and the Self-regulating Code, it being understood that, should an auditor, on his own behalf or on behalf of third parties, have an interest in one of the Company's transactions, he must promptly give extensive information to the other members of the Board of Statutory Auditors and the Chairman of the Board about the nature, terms, origin and the extent of his interest.

10. In the course of 2009 the Company's Board of Directors met eleven times; the Remuneration Committee met twice; the Appointments Committee met once; and the Internal Audit Committee seven times. During the same year the Board of Statutory Auditors met ten times; it also attended all the meetings of the Board of Directors and shareholders' meetings held during the year.

The Chairman of the Board also attended five of the Internal Audit Committee meetings.

11. The Board of Statutory Auditors has, to the extent of its remit, gathered information and checked that the principles of correct administration have been observed and that the Company's administrative structure is adequate for the purposes of complying with these principles.

In particular, as regards the decision-making processes of the Board of Directors, the Board has checked that the management decisions taken by the directors complied with the law and articles of association, and that their resolutions were not contrary to the interests of the Company.

The Board of Statutory Auditors therefore believes that the principles of sound administration have been observed.

12. The Board of Statutory Auditors has checked the Company's organisational structure; and believes, in light of these checks and to the extent of its own responsibility, that the structure as a whole is adequate.

13. The Board of Statutory Auditors – also by liaising and coordinating with the Internal Audit Committee, the Managing Director in his capacity as the director appointed to oversee that the internal audit system is functioning, and the Supervisory Body – has checked the Company's internal audit system and the work of the Soggetto Preposto al Controllo Interno [person who oversees that the internal audit system is functioning].

In particular, the Board of Statutory Auditors reminds the shareholders that on 1 January 2009 the consortium Immsi Audit S.c.a.r.l. began to coordinate all the internal auditing of the Immsi Group companies, including Piaggio & C. S.p.A.; the managing director of Immsi Audit S.c.a.r.l. was appointed as the Company's Soggetto Preposto al Controllo Interno and also as head of the Company's Internal Audit Department.

In light of these checks and the evaluations made by the Soggetto Preposto, the Internal Audit Committee and the Board of Directors with regard to the adequacy, efficiency and actual functioning of the internal auditing system, the Board of Statutory Auditors believes, to the extent of its own responsibility, that the system as a whole is adequate.

14. The Board of Statutory Auditors has checked – by collecting information from the Dirigente Preposto [manager in charge of preparing the Company's financial reports] and the relevant department managers, examining company

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documentation, and analysing the results of the Audit Firm's work – the Company's administrative and accounting system and how reliable it is in giving a true picture of operational items.

In particular, the Board of Statutory Auditors states that in the course of 2009, with the support of the internal audit department, and for the Company and its strategically important subsidiaries, the Dirigente Proposto evaluated the adequacy and the actual application of the administrative and accounting procedures described in Article 154-bis of the T.U.F.; this work made it possible to affirm that the financial statements are able to provide a true and fair representation of the profitability, assets and liabilities and financial position of the Company and the most important subsidiaries.

In light of these checks and the evaluations made by the Board of Directors of the adequacy of the Company's organisational, administrative and accounting arrangements, the Board of Statutory Auditors believes, to the extent of its own responsibility, that the system is essentially adequate and reliable for the purpose of correctly representing the operational items.

**15.** The Board has checked that the directives given by the Company to its subsidiaries as per Article 114, paragraph 2, of the T.U.F. were adequate, and that there was a proper flow of information between them, and it believes that the Company is able to fulfil the communication obligations laid down by law.

**16.** During the financial year the Board of Statutory Auditors met managers from the Audit Firm in order to exchange relevant data and information with them in accordance with Article 150, paragraph 3, of the T.U.F.

At these meetings the Audit Firm did not report any facts or anomalies important enough to be indicated in this report.

During the financial year the Board of Statutory Auditors met with the supervisory body of the subsidiary Aprilia Racing S.r.l. in order to exchange information pursuant to Article 151, paragraph 2, of the T.U.F.

The fact that the Auditor Alessandro Lai is also the Chairman of the Board of Statutory Auditors of the parent company IMMSI S.p.A. has also facilitated the exchange of information with that parent company's Board of Statutory Auditors.

17. The Company has adopted the Self-regulating Code of Practice for Listed Companies, approved in March 2006 by the Committee for Corporate Governance and promoted by Borsa Italiana S.p.A.

The system of corporate governance adopted by the Company is detailed in the Corporate Governance Report for 2009, approved by the Board of Directors on 26 February 2010.

18. In the course of its activity and checks during the year, the Board of Statutory Auditors discovered no blameworthy facts, omissions or irregularities of such significance as to require flagging in this report.

19. The Board of Statutory Auditors remarks that, as far as it is aware, there has been no derogation from the law in the preparation of the consolidated financial statements and separate financial statements.

The Board, also in view of the results of the work carried out by the body responsible for accounting control, has found no reason – as far as its own remit goes – not to approve the financial statements as at 31 December 2009 as drafted and approved by the Board of Directors at its meeting of 26 February 2010, and agrees with the Board of Directors about the proposed allocation of the year's profits.

Milan, 19 March 2010

The Board of Statutory Auditors

Mr. Giovanni Barbara

Mr. Attilio Arietti

Mr. Alessandro Lai