



**Piaggio & C. S.p.A.**

**Explanatory Memorandum**

**Financial Statements of Piaggio & C. S.p.A. as of 31 December 2013; Directors' Report on Operations for 2013 and proposal to cover the loss for the period; Report of the Board of Statutory Auditors; Report of the Independent Auditors; related and consequent resolutions; presentation of the Consolidated Financial Statements as of 31 December 2013 of the Piaggio Group and relative reports.**

Dear Shareholders,

The Board of Directors of your company has called you to a Shareholders' Meeting for your approval of the draft financial statements for Piaggio & C. S.p.A. as of 31 December 2013.

The financial statements as of 31 December 2013 record a loss for the period equal to Euro 1.649.156,16. We refer to the Report on Operations prepared by the Board of Directors and already available for Shareholders.

We therefore propose to cover the loss assigning it to the "Retained earnings(losses)" reserve, under Earnings Reserves, of which the total amount is equal to 67.498.283,56.

The Board of Directors will also report on the consolidated financial statements as of 31 December 2013.

Therefore we are submitting the following draft resolution for your approval:

"The Ordinary General Shareholders Meeting of Piaggio & C. S.p.A.,

- having heard and approved the statements of the Board of Directors;
- and in acknowledgement of the Report of the Board of Statutory Auditors, the Report of the Auditing Company and the Consolidated Financial Statements as of 31 December 2013,

**resolved**

1. to approve the Report of the Board of Directors and the Financial Statements as of 31 December 2013 in their entirety;
2. to approve to cover the loss assigning it to the "Retained earnings(losses)" reserve, under Earnings Reserves, of which the total amount is equal to 67.498.283,56.

The documentation required by Article 154-ter of the Legislative Decree no. 58/1998 will be made publicly available at least twenty one days prior to the date of the Shareholders' Meeting on first call.

Milan, 20 March 2014

For the Board of Directors

Chairman and Chief Executive Officer

Roberto Colaninno