PIAGGIO &C.s.p.a.

PRESS INFORMATION

PRESS RELEASE

PIAGGIO GROUP: FIRST NINE MONTHS OF 2009

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Strong improvement on Asian markets in two-wheelers and commercial vehicles

Growth in ratio of industrial gross margin to net sales (+1.6 p.p.)

Growth in EBITDA margin (14.7%, +0.8 p.p.)

Positive cash flow, leading to reduction in debt from 31.12.2008 (€ -7.2 mln)

Improvement in scooter and motorcycle market shares

Growth in commercial vehicle turnover

Income tax expense € 39.4 mln (€ 21.8 mln in the year-earlier period)

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Net sales € 1,173.1 mln

EBITDA € 172.1 mln

Profit before tax € 79.5 mln

Net profit € 40.1 mln

Milan, 30 October 2009 – At a meeting today in Milan chaired by Roberto Colaninno, the Board of Directors of Piaggio & C. S.p.A. examined and approved the quarterly report at 30 September 2009.

During the third quarter of 2009, the Piaggio Group confirmed the **significant improvement in operating results** that had already emerged in the second quarter: thanks to the competitiveness of its product lines, operating efficiency and the strong recovery on the Asian markets targeted by its expansion strategy, the Group further strengthened the positive **trend turnaround**.

Group **consolidated net sales** amounted to € 1,173.1 million, compared with € 1,289.3 million in the first nine months of 2008.

Turnover for the year to 30 September in the **two-wheeler business** (€ 862.6 million) fell by 12.9% from the first nine months of 2008. Market conditions in the main areas addressed by the Group were particularly difficult. Compared with the first nine months of 2008, demand fell in Italy (-6.1%), in Europe (-17.3%, including the figure for Italy), and in the USA (-43.7%). Meanwhile, the Group reported excellent performance in the **Asia-Pacific area**, with revenues of € 43.9 million, up 24.8% from the first nine months of 2008.

The **commercial vehicles** business boosted revenues by 3.9% in the first nine months, to € 310.6 million, compared with € 299.0 million in the year-earlier period. Performance was particularly strong on the **Indian market,** where turnover gained 9.8% over the first nine months of 2008.

The **industrial gross margin** was € 374.3 million, against € 390.5 million in the first nine months of 2008. The growth in the **ratio of the industrial gross margin to net sales** was particularly significant, rising to 31.9% in the first nine months of 2009 from 30.3% in the year-earlier period. The ratio made further progress in the **third quarter of 2009**, reaching 33.1% from 30.4% in Q3 2008, reflecting the success of the action taken to improve product margins.

Consolidated EBITDA was € 172.1 million in the first nine months of 2009, compared with € 179.4 million in the first nine months of 2008. The **EBITDA margin** showed a healthy improvement to 14.7% compared with 13.9% in the first nine months of 2008. The improvement was even stronger in the third quarter, with an **EBITDA margin** of 17.1%, compared with 13.2% in Q3 2008.

EBIT was € 103.1 million at 30 September 2009, compared with € 110.1 million in the year-earlier period. The **EBIT margin** was 8.8% in the first nine months of 2009, compared with 8.5% in the first nine months of 2008; in the third quarter it rose to 11%, from 7.3% in Q3 2008.

The first nine months of 2009 closed with a **net profit** of € 40.1 million (compared with € 62 million in the first nine months of 2008, a net loss of € 4.7 million in the first quarter of 2009, and a net profit of € 25.7 million in the first half of 2009), after **income tax** of € 39.4 million (€ 21.8 million in the first nine months of 2008), determined, in compliance with IAS 34, on the basis of the estimated full-year average tax rate.

Consolidated net debt decreased from € 359.7 million at 31 December 2008 to € 352.6 million at 30 September 2009, with **cash flows** totalling € 7.2 million in the first nine months of 2009.

Shareholders' equity at 30 September 2009 totalled € 415.2 million, against € 398.2 million at 31 December 2008.

Business Performance

In the first nine months of 2009, the Piaggio Group sold a total of **475,100 vehicles,** of which 332,500 in the 2-Wheel business and 142,600 in the Commercial Vehicles business (compared with an overall total of 537,900 vehicles in the year-earlier period).

In the January-September period, the Piaggio Group displayed greater **competitiveness** in terms of product ranges and brands, outperforming market trends in a number of markets and/or product segments**.**

On the **Italian two-wheeler market,** in the first nine months of 2009 the Group raised its overall market share to 30.1% (with an increase of 1.9 percentage points from the first nine months of 2008), thanks to eight consecutive months of growth in the branded scooter segment, where from January to September 2009 the Piaggio Group reached a 34% market share (+2.6 percentage points from the year-earlier period).

The Group also reported healthy performance in **over 50cc motorcycles** (a 5.3% share in the first nine months of 2009, +0.2 percentage points from the year-earlier period), despite the sharp downturn in the segment, which, in Italy, showed an overall decline of 20.9% from January to September. The Piaggio Group's positive result was due not only to the success of the **new scooters and motorcycles** launched in 2009, but also to the absolute **excellence of its racing results**, specifically for the Aprilia brand, which this season has already won **three world titles in the world speed championship**; in the **Superbike world championship**, the new Aprilia **RSV4 1000cc V4** immediately displayed its competitiveness in its debut year with **one win and nine podiums**.
Since the Piaggio Group's acquisition of Aprilia (December 2004), the Racing Division in Noale has won **19 world championships** (15 in the world speed championship and 4 in motocross), to bring the Aprilia

trophy portfolio to 43 world titles, making it the most successful Italian and European name ever in world championship racing.

In the **commercial vehicles** business, with 3,986 vehicles shipped in **Italy** from January to September 2009, Piaggio boosted sales by 6.1% from the first nine months of 2008, decisively countering the overall industry trend (-26.4% in the first nine months of 2009) and raising its Italian market share to 3.1% (+1 p.p.), thanks to availability of low-emission electric and LPG and methane bi-fuel engines on the new Piaggio Porter.

The Group also reported significant growth in two-wheeler vehicle sales in the **Asia-Pacific area**, with a total of 18,400 units shipped from January to September 2009, for growth of 4.5% compared with the year-earlier period. In this region, in the third quarter of 2009 the Group already began to feel the benefits of its **commercial operations in Vietnam**, where sales of the locally produced Vespa range began on 24 June 2009, winning a very positive response from the market, where demand is growing at rates above the budget projections for the current year.

Despite difficult market conditions, in the **Commercial Vehicles business** too, the Piaggio Group reported an **improvement in sales volumes** in the first nine months compared with the year-earlier period (+1.9% overall) thanks to performance in **Asia**. The Group responded in full to the return to growth on the **Indian market,** raising vehicle sales by 4.2% from the first nine months of 2008, thanks to the sharp acceleration in commercial operations in the second and third quarters of 2009.
At a constant Indian rupee/euro exchange rate, revenue growth with respect to the first nine months of 2008 would be 15.3% rather than 9.8%.

Events after 30 September 2009

On 16 October 2009, in compliance with the resolution carried by the Piaggio & C. S.p.A. Board of Directors on 15.09.2009, early repayment – for € 61 million – was made of the high-yield bond issued in 2005, through exercise of the option at nominal value plus the penalty envisaged by the bond regulation.

On 19 October the Piaggio & C. S.p.A. Board of Directors adopted additional resolutions regarding the re-organisation of Group industrial and commercial operations in Spain, previously discussed at the Board meeting on 15 September 2009. Reference should be made to the Piaggio & C. S.p.A. press statements released on 15 September 2009 and 19 October 2009 for all further information.

Outlook

The first nine months of 2009 were severely affected by the economic crisis and by the difficulties on the markets addressed by the Piaggio Group. The first significant signs of a recovery and stability began to emerge in March. Thanks to its product portfolios for the 2-Wheel and Commercial Vehicle businesses featuring vehicles with low emissions and reduced fuel consumption, the Group will also be in a position to benefit fully from the eco-incentives introduced by the Italian Government and by the Spanish Government.

During the fourth quarter, in part through the new state-of-the-art products currently being launched, the Group will pay specific attention to the growth of its motorcycle brands in Europe and consolidation of its leadership position in scooters in Europe and America. Piaggio will also be developing marketing operations for the Vespa scooter in Vietnam, which made its official debut at the end of June 2009.

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The manager in charge of preparing the company accounts and documents, Alessandra Simonotto, certifies, pursuant to paragraph 2, art. 154 bis of Legislative Decree no. 58/1998 (Consolidated Law on Financial Intermediation), that the accounting disclosures in this statement correspond to the accounting documents, ledgers and entries.

PIAGGIO & C. s.p.a.

PRESS INFORMATION

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CONSOLIDATED INCOME STATEMENT

Amounts in €/000	Note	1-1 / 30-09-2009	1-1 / 30-09-2008	Change
Net Sales	4	**1,173,149**	**1,289,322**	**(116,173)**
of which vs related parties		*7*	*56*	*(49)*
Cost of materials	5	679,955	766,365	(86,410)
of which vs related parties		*25,269*	*39,985*	*(14,716)*
Cost of services and use of third-party assets	6	211,078	230,276	(19,198)
of which vs related parties		*2,386*	*852*	*1,534*
Employee expenses	7	186,915	193,552	(6,637)
Depreciation property, plant and equipment	8	27,535	29,063	(1,528)
Amortisation intangible assets	8	41,449	40,237	1,212
Other operating income	9	97,965	101,805	(3,840)
of which vs related parties		*1,159*	*1,649*	*(490)*
Other operating expense	10	21,059	21,508	(449)
of which vs related parties			*4*	*(4)*
EBIT		**103,123**	**110,126**	**(7,003)**
Share of result of associates		172	49	123
Finance income	11	10,502	14,135	(3,633)
Finance expense	11	(34,290)	(40,549)	6,259
of which vs related parties		*(70)*		*(70)*
Profit before tax		**79,507**	**83,761**	**(4,254)**
Income tax expense	12	**39,397**	**21,778**	**17,619**
Result from on-going operations		**40,110**	**61,983**	**(21,873)**
Discontinued operations:				
Profit or loss from discontinued operations	13			**0**
Net profit (loss) for the period		**40,110**	**61,983**	**(21,873)**
Attributable to:				
Equity holders of the parent		**39,403**	**61,497**	**(22,094)**
Minority interests		**707**	**486**	**221**
Earnings per share (in €)	14	**0.10**	**0.16**	**(0.06)**
Diluted earnings per share (in €)	14	**0.10**	**0.16**	**(0.06)**

CONSOLIDATED BALANCE SHEET

Amounts in €/000	Note	At 30 September 2009	At 31 December 2008	Change
ASSETS				
Non-current assets				
Intangible assets	14	644,107	648,234	(4,127)
Property, plant and equipment	15	248,966	250,354	(1,388)
Investment property	16			0
Equity investments	17	239	239	0
Other financial assets	18	165	359	(194)
Non-current tax receivables	19	13,296	8,166	5,130
Deferred tax assets	20	32,585	36,227	(3,642)
Other receivables	22	11,800	12,587	(787)
of which vs related parties		*506*	*799*	*(293)*
Total Non-current assets		**951,158**	**956,166**	**(5,008)**
Assets held for sale	26			**0**
Current assets				
Trade receivables	21	181,499	90,278	91,221
of which vs related parties		*371*	*460*	*(89)*
Other receivables	22	20,380	21,380	(1,000)
of which vs related parties		*1,894*	*1,961*	*(67)*
Current tax receivables	19	22,152	27,772	(5,620)
Inventories	23	278,774	257,961	20,813
Other financial assets	24	30,794	5,787	25,007
of which vs related parties		*45*	*45*	*0*
Cash and cash equivalents	25	197,574	39,985	157,589
Total Current assets		**731,173**	**443,163**	**288,010**
TOTAL ASSETS		**1,682,331**	**1,399,329**	**283,002**

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Amounts in €/000	Note	At 30 September 2009	At 31 December 2008	Change
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
Share capital and reserves attributable to equity holders of parent	27	413,135	396,767	16,368
Share capital and reserves attributable to minority interests	27	2,070	1,454	616
Total shareholders' equity		**415,205**	**398,221**	**16,984**
Non-current liabilities				
Borrowings due after one year	28	374,244	264,789	109,455
Pension funds and employee benefits	32	63,384	64,160	(776)
Other non-current provisions	30	17,845	21,678	(3,833)
Non-current tax payables	33		166	(166)
Other long-term payables	34	5,400	5,965	(565)
Deferred tax liabilities	31	30,688	31,795	(1,107)
Total Non-current liabilities		**491,561**	**388,553**	**103,008**
Current liabilities				
Borrowings due within one year	28	206,680	140,691	65,989
Trade payables	29	414,334	362,224	52,110
of which vs related parties		*10,986*	*8,712*	*2,274*
Tax liabilities	33	38,744	19,065	19,679
Other current liabilities	34	91,631	70,677	20,954
of which vs related parties		*726*	*600*	*126*
Current portion of other non-current provisions	30	24,176	19,898	4,278
Total current liabilities		**775,565**	**612,555**	**163,010**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1,682,331**	**1,399,329**	**283,002**