PRESS RELEASE

PIAGGIO GROUP: FIRST HALF 2016

Consolidated net sales 706.5 million euro, up 1.8% (+3.8% at constant exchange rates)
(693.9 €/mln H1 2015)

Ebitda 101.5 million euro, up 6.7% (+7.6% at constant exchange rates)
(95.1 €/mln H1 2015)
Ebitda margin 14.4% (13.7% H1 2015)

Industrial gross margin 216.4 million euro, up 5.9%
(204.4 €/mln H1 2015)

Ebit 47.8 million euro, up 11.3%
(42.9 €/mln H1 2015)
Ebit margin 6.8% (6.2% H1 2015)

Net profit 18 million euro, up 21.9%
(14.8 €/mln H1 2015)

Net financial position -479.9 million euro,
an improvement of 18.2 €/mln from -498.1 €/mln at 31 December 2015 and
an improvement of 55.4 €/mln from -535.3 €/mln H1 2015

Worldwide shipments of 276,700 vehicles in the first half (269,600 in H1 2015)

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The Piaggio Group reconfirms its leadership on the European two-wheeler market
with a 14.8% overall share and a 26% share of the scooter sector

In high-wheel scooters, strong growth in net sales in part thanks to the new
Piaggio Liberty and Medley ABS, as well as the Beverly best seller

Milan, 27 July 2016 – At a meeting today chaired by Roberto Colaninno, the Board of Directors of Piaggio & C. S.p.A. examined and approved the financial report for the half year to 30 June 2016.

Piaggio Group performance was positive in the first half of 2016, with an improvement in all the main indicators compared with the first half of 2015.

Piaggio Group business and financial performance at 30 June 2016[1]

Group **consolidated net sales** in the first half of 2016 totalled **706.5 million euro, an improvement of 1.8% (+3.8% at constant exchange rates)** from 693.9 million euro at 30 June 2015.

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[1] The main alternative performance indicators used by the Piaggio Group, representing the data monitored by management, are as follows:
- EBITDA: earnings (EBIT) before amortisation and depreciation and impairment losses on property, plant and equipment and intangible assets, as reflected in the consolidated income statement;
- Industrial gross margin: net sales less costs to sell;
- Net financial position: gross financial debt less cash and cash equivalents, and other current financial receivables. Determination of the net financial position does not include other financial assets and liabilities arising from measurement at fair value, derivatives designated or not as hedges, fair value adjustments of the related hedged items and related accruals.

Revenues rose on all the Group's main lines of business. Turnover in the **two-wheeler sector** was **507.4 million euro**, an increase of **2.2%** from 496.3 million euro in the first half of 2015 (the figure includes spares and accessories). Revenues for **commercial vehicles**, including spares and accessories, were **199.1 million euro**, a small increase from 197.6 million euro in the first half of 2015.

The 2016 half-year **industrial gross margin** was **216.4 million euro**, up by 5.9% from 204.4 million euro in the year-earlier period. The return on net sales was 30.6%, up from 29.5% in the first half of 2015. Amortisation and depreciation included in the industrial gross margin totalled 18.7 million euro, compared with 19.8 million euro at 30 June 2015.

Operating expense in the first half of 2016 was **168.6 million euro** (161.5 million euro in the year-earlier period). The increase stemmed in part from the rise in amortisation and depreciation included in operating expense (35 million euro in H1 2016, compared with 32.3 million euro in the year-earlier period).

The changes in the income statement described above generated **consolidated EBITDA of 101.5 million euro**, **an increase of 6.7%** (+7.6% at constant exchange rates) from 95.1 million euro in the first half of 2015, with an **EBITDA margin** of 14.4% (up from 13.7% at 30 June 2015).

EBIT in the first half of 2016 amounted to **47.8 million euro,** an increase of 11.3% from 42.9 million euro in the first half of 2015. The **EBIT margin** was 6.8% (6.2% in the first half of 2015).

At 30 June 2016, the Piaggio Group posted **profit before tax** of **30 million euro**, **up 21.9%** compared with 24.6 million euro in the year-earlier period. Income tax for the period was 12 million euro, with an impact on pre-tax profit of 40%.

The first half of 2016 closed with **net profit of 18 million euro, an increase of 21.9%** compared with 14.8 million euro in the first half of 2015.

Net financial debt (NFD) at 30 June 2016 was **479.9 million euro, an improvement** of 18.2 million euro from the end of 2015 (498.1 million euro) and 55.4 million euro from 30 June 2015 (535.3 million euro).

Group **shareholders' equity** at 30 June 2016 was **393.2 million euro** (404.3 million euro at 31 December 2015).

Piaggio Group **capital expenditure** in the first half of 2016 amounted to **47 million euro** (+8% from 43.5 million euro in the year-earlier period), of which **25 million euro for R&D expenditure** (27 million euro in H1 2015) and approximately 22 million euro for property, plant and equipment, investment property and intangible assets (approximately 16.5 million euro in H1 2015).

Among investments in Group industrial assets, a particularly important project is the **new automated paint shop which opened last April at the Piaggio industrial facility in Pontedera** (Pisa). Previous investments at Pontedera included, in 2014, the insourcing of high-precision aluminium machining operations, with the opening of a dedicated shop, and in 2013 the opening of the new Piaggio Group Worldwide Spares Centre.

The total workforce of the Piaggio Group at 30 June 2016 numbered **7,025 employees.** The Group's Italian employees numbered 3,619, substantially unchanged from the year-earlier period.

Business performance in the first half of 2016

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).

In the first half to 30 June 2016, the Group sold **182,100 two-wheelers** worldwide (up 3.6% from 175,700 in the year-earlier period), generating **net sales of 507.4 million euro, an improvement of 2.2%** from 496.3 million euro in the first half of 2015. The figure includes spares and accessories and sales of the **Piaggio Wi-Bike pedal-assisted bicycle which had a positive impact on net sales.**

The Piaggio Group strengthened its positioning on the **European two-wheeler market**, closing the first half of 2016 with an **overall market share of 14.8%** (14.6% in the first half of 2015) and a **26% market share in scooters** (**more than 12 percentage points ahead of the second European competitor**). The Group also maintained a particularly strong positioning on the **North American scooter market,** with a **share of 19.1%.**

In the **scooter segment** the Piaggio Group reported excellent results for **high-wheelers**, where global **net sales made strong progress**, largely thanks to the **new Piaggio Liberty** and **Piaggio Medley ABS scooters,** as well as the important performance of the best-selling **Beverly**. The **Vespa brand** strengthened its presence on the **European market**, with **revenues up by 4.7%.**

Performance was also strong in **Group motorcycles**, with an increase of **more than 8% in Moto Guzzi sales**, in particular thanks to the new **V9 Roamer and Bobber**, while for the Aprilia brand important growth was reported by the supersport models in the **Tuono V4 line**, where **sales rose by 55%.**

In the **commercial vehicles** sector, the Group sold **94,700 vehicles** (94,000 in the first half of 2015) for **net sales of 199.1 million euro** (197.6 million euro in the first half of 2015). The figure includes **spares and accessories**, where **sales totalled 22.4 million euro** (+14.9% from 19.5 million euro in the first half of 2015). On the Indian market for **three-wheel commercial vehicles**, the PVPL subsidiary had an **overall share of 28.3%** and confirmed its **leadership in the Cargo segment** with a market share of **52.8%.**

In the first half of 2016 the **PVPL production hub** also exported **9,430 three-wheel commercial vehicles** worldwide**.** These sales arose in part in the EMEA and Americas area and in part in the India area, in connection with responsibility for management of the individual markets.

Significant events in the first half of 2016

In addition to the information published at the time of approval of the 2016 first-quarter results (Board meeting of 2 May 2016):

On 18 April, the Piaggio Medley scooter made its European market debut, following its launch on the Vietnamese market on 17 March with a press conference in Hanoi. The Piaggio Medley combines the benefits of an agile, lightweight two-wheeler with all the advantages of a high-wheel vehicle, offering superior technological features, performance, size and weight, like the Beverly best seller. Equipped with the top-of-the-range engine from the new Piaggio iGet family, a liquid-cooled four-valve version, the Medley is available in 125 and 150cc displacements, with the "Start & Stop" system.

On 25 May the Piaggio Wi-Bike, an innovative pedal-assisted bicycle designed, developed and built entirely by the Piaggio Group, was presented on the European market.

On 26 May, the President of the Italian Republic, Sergio Mattarella, received a delegation of Piaggio Group senior managers at the Quirinale Palace, for the presentation of the twenty Moto Guzzi California Touring 1400 motorcycles to be used by the Italian President's Guard of Honour and escort. The new California Touring 1400 motorbikes were produced for the *Corazzieri* Guard of Honour in the Moto Guzzi facility in Mandello del Lario.

On 9 June, the subsidiary Piaggio Vietnam stipulated a medium-term loan of 414,000,000 VND (approximately 17 million euro) with VietinBank to fund its capital expenditure program.

On 10 June, the Enjoy vehicle sharing company expanded its offer in Rome with the introduction, after Milan, of the free-floating scooter-sharing service developed in partnership with the Piaggio Group. Once fully operational, the new fleet will consist of 300 Piaggio MP3 three-wheel scooters (300LT Business ABS model).

On 13 June, Enjoy made its debut in Catania (Sicily) with its full free-floating vehicle-sharing service, including 30 Piaggio MP3 three-wheel scooters (300LT Business ABS model).

On 16 June the Vespa 946 was awarded the "Honourable Mention" in the *Design for mobility* category, by the international jury of the XXIV ADI Gold Compass Award with the following motivation: "The Vespa offers a modern-day version of the lines that made it famous and beloved without neglecting the needs of sustainability and low environmental impact."

On 26 June Aprilia Racing announced a two-year agreement with Aleix Espargaró, for the Spanish rider to ride an Aprilia RS-GP in the 2017 and 2018 MotoGP World Championships. Espargaró's teammate at the next MotoGP season will be Britain's Sam Lowes.

On 27 June the Piaggio Group and (RED), a no-profit organisation founded in 2006 by Bono Vox and Bobby Shriver, announced a partnership to support fund raising for anti-AIDS programs. The Piaggio Group will develop a special version of the Vespa, from each sale of which it will devolve 150 USD to support the work of the Global Fund for the fight against AIDS, tuberculosis and malaria.

Significant events after 30 June 2016

On 7 July the Piaggio Group signed important agreements to market the Vespa and Piaggio brands in Brazil, Argentina and Uruguay.

On 7 July it also presented the new versions of the Vespa Primavera and Vespa Sprint equipped with the new Piaggio iGet engine compliant with the Euro4 standard. The new models have a richer range of features, including a practical USB port and ABS braking, now a standard feature on all 125 and 150cc models.

On 14 July the Piaggio Group announced its continuation of growth on the world's fastest growing high-volume markets with the entry on to the Indian scooter market with the Aprilia brand. Beginning in August, the new Aprilia SR 150 sports scooter will be available in India at a competitive price of 65,000 rupees (approximately 880 euro), and beginning in July can be booked via the Piaggio Group dealer network.

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Outlook

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.

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Conference call with analysts

The presentation of the financial results as at and for the six months ended 30 June 2016, which will be illustrated during a conference call with financial analysts, is available on the corporate website at *www.piaggiogroup.com/it/investor* and on the "eMarket Storage" authorised storage mechanism on the website *www.emarketstorage.com*.

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The Piaggio Group consolidated income statement, consolidated statement of financial position and consolidated statement of cash flows as at and for the six months ended 30 June 2016 are set out below. The limited audit of the condensed interim consolidated financial statements as at and for the six months ended 30 June 2016 has not yet been completed.

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

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In line with the recommendations of CESR Communication 05-178b, attention is drawn to the fact that 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 Piaggio 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. In compliance with Consob Communication no. 9081707 of 16 September 2009, it should be noted that the alternative performance indicators ("Non-GAAP Measures") have not been audited by the independent auditors.

This press release may contain forward-looking statements relating to future events and Piaggio 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.

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SCHEDULES

Consolidated Income Statement

	H1 2016		H1 2015	
	Total	*of which related parties*	Total	*of which related parties*
In thousands of euro				
Net Sales	**706,496**	**684**	**693,886**	**167**
Cost of materials	412,043	14,825	409,794	16,549
Cost of services and use of third-party assets	122,748	1,878	119,029	1,892
Employee expense	112,196		113,920	
Depreciation and impairment property, plant and equipment	23,145		23,695	
Amortisation and impairment intangible assets	30,565		28,449	
Other operating income	52,358	510	55,418	403
Other operating expense	10,395	13	11,494	12
EBIT	**47,762**		**42,923**	
Results of associates	704	696	246	246
Finance income	581		364	
Finance costs	18,348	67	18,994	90
Net exchange-rate gains/(losses)	(680)		94	
Profit before tax	**30,019**		**24,633**	
Income tax expense	12,008		9,853	
Profit from continuing operations	**18,011**		**14,780**	
Discontinued operations:				
Profit or loss from discontinued operations				
Profit (loss) for the period	**18,011**		**14,780**	
Attributable to:				
Equity holders of the parent	**18,011**		**14,788**	
Minority interests	**0**		**(8)**	
Earnings per share (in €)	**0.050**		**0.041**	
Diluted earnings per share (in €)	**0.050**		**0.041**	

Consolidated Statement of Comprehensive Income

	H1 2016	H1 2015
In thousands of euro		
Profit (loss) for the period (A)	**18,011**	**14,780**
Items that cannot be reclassified to profit or loss		
Re-measurement of defined benefit plans	(3,367)	2,102
Total	**(3,367)**	**2,102**
Items that may be reclassified to profit or loss		
Gains (losses) on translation of financial statements of foreign entities	(2,951)	5,098
Total gains (losses) on cash flow hedges	147	752
Total	**(2,804)**	**5,850**
Other comprehensive income (B)*	**(6,171)**	**7,952**
Total comprehensive income (expense) for the period (A + B)	**11,840**	**22,732**

* Other comprehensive income (expense) takes related tax effects into account

Attributable to:		
Equity holders of the parent	**11,889**	**22,707**
Minority interests	**(49)**	**25**

Consolidated Statement of Financial Position

	At 30 June 2016		At 31 December 2015	
	Total	*of which related parties*	**Total**	*of which related parties*
In thousands of euro				
ASSETS				
Non-current assets				
Intangible assets	669,812		673,986	
Property, plant and equipment	300,823		307,608	
Investment property	11,811		11,961	
Equity investments	9,819		9,529	
Other financial assets	23,164		24,697	
Non-current tax receivables	5,784		5,477	
Deferred tax assets	57,452		56,434	
Trade receivables				
Other receivables	13,068	133	13,419	153
Total non-current assets	**1,091,733**		**1,103,111**	
Assets held for sale				
Current assets				
Trade receivables	121,223	1,159	80,944	1,150
Other receivables	26,096	9,039	29,538	8,879
Current tax receivables	34,653		21,541	
Inventories	257,003		212,812	
Other financial assets	2,212		2,176	
Cash and cash equivalents	152,591		101,428	
Total current assets	**593,778**		**448,439**	
TOTAL ASSETS	**1,685,511**		**1,551,550**	

	At 30 June 2016		At 31 December 2015	
	Total	*of which related parties*	Total	*of which related parties*
In thousands of euro				
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
Share capital and reserves attributable to equity holders of the parent	393,482		404,535	
Share capital and reserves attributable to minority interests	(291)		(242)	
Total shareholders' equity	**393,191**		**404,293**	
Non-current liabilities				
Borrowings due after one year	510,696	2,900	520,391	2,900
Trade payables				
Other non-current provisions	10,837		9,584	
Deferred tax liabilities	4,023		4,369	
Pension funds and employee benefits	53,283		49,478	
Non-current tax payables				
Other non-current payables	5,019		4,624	
Total non-current liabilities	**583,858**		**588,446**	
Current liabilities				
Borrowings due within one year	146,377		105,895	
Trade payables	484,364	14,648	380,363	10,108
Non-current tax payables	13,540		14,724	
Other current liabilities	55,200	9,540	48,050	8,666
Current portion of other non-current provisions	8,981		9,779	
Total current liabilities	**708,462**		**558,811**	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**1,685,511**		**1,551,550**	

Consolidated Statement of Cash Flows

This schedule shows the determinants of changes in cash and cash equivalents net of bank overdrafts, as required by IAS 7.

	H1 2016		H1 2015	
	Total	of which related parties	Total	of which related parties
In thousands of euro				
Operating assets				
Consolidated net profit (loss)	18,011		14,788	
Earnings attributable to minority interests	0		(8)	
Tax for the period	12,008		9,853	
Depreciation property, plant and equipment	23,145		23,695	
Amortisation intangible assets	30,565		28,449	
Allowances for risks, retirement funds and employee benefits	9,321		9,777	
Impairment losses / (Reversals)	514		969	
Losses / (Gains) on sale of property, plant and equipment	(74)		(70)	
Finance income	(499)		(239)	
Dividend income	(7)		0	
Finance costs	16,927		18,781	
Income from public grants	(2,078)		(1,258)	
Share of results of associates	(697)		(246)	
Change in working capital:				
(Increase)/Decrease in trade receivables	(39,828)	(9)	(84,948)	(17)
(Increase)/Decrease in other receivables	3,856	(140)	1,902	767
(Increase)/Decrease in inventories	(44,191)		(14,101)	
Increase/(Decrease) in trade payables	104,001	4,540	55,389	1,459
Increase/(Decrease) in other payables	7,545	874	10,211	146
Increase/(Decrease) in provisions for risks	(5,114)		(5,278)	
Increase/(Decrease) in retirement funds and employee benefits	83		(7,878)	
Other changes	(18,900)		(1,533)	
Cash generated by operating activities	**114,588**		**58,255**	
Interest expense paid	(15,967)		(18,994)	
Tax paid	(9,941)		(8,715)	
Cash flow from operating activities (A)	**88,680**		**30,546**	
Investing activities				
Investment in property, plant and equipment	(19,871)		(13,950)	
Sale price or redemption value of property, plant and equipment	192		274	
Investment in intangible assets	(27,100)		(29,542)	
Sale price or redemption value of intangible assets	0		44	
Interest collected	307		203	
Cash flow from investing activities (B)	**(46,472)**		**(42,971)**	
Financing activities				
Own share purchases	(4,980)		0	
Outflow for dividends paid	(17,962)		(26,007)	
Loans received	77,723		86,439	
Outflow for loan repayments	(45,815)		(21,357)	
Repayment of finance leases	(15)		(16)	
Cash flow from financing activities (C)	**8,951**		**39,059**	
Increase / (Decrease) in cash and cash equivalents (A+B+C)	51,159		26,634	
Opening balance	**101,302**		**90,125**	
Exchange differences	(1,182)		3,150	
Closing balance	**151,279**		**119,909**	