PIAGGIO & C. s.p.a.

PRESS RELEASE

PIAGGIO GROUP: FIRST NINE MONTHS 2013

Consolidated net sales € 955.0 million (€ 1,112.3 mln in first nine months 2012)

Ebitda € 133.7 million (€ 156.0 mln in first nine months 2012)
Ebitda margin 14.0% (identical to first nine months 2012)

Gross industrial margin € 290.6 mln (€ 337.3 mln in first nine months 2012)
Net sales margin 30.4% (30.3% in first nine months 2012)

Ebit € 71.4 million (€ 95.8 mln in first nine months 2012)

Net profit € 27.8 million (€ 44.4 mln in first nine months 2012)

Net debt € 454.6 million

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Excluding the exchange-rate effect, consolidated net sales would have been € 34.3 million higher

Piaggio Group margins remain positive and identical – as percentage of turnover – to the first nine months of 2012, without slowing the roll-out of global growth strategies

Piaggio Group maintains leadership of European two-wheeler market, with an overall share of 17.5% and a 26.3% share in scooters

Share of 23% on North American scooter market

33,200 Vespa scooters produced and sold in India in first nine months 2013

Vespa global shipments up 21.3% in first nine months of 2013, with sales of more than 146,600 scooters compared with 120,900 sales from January to September 2012

9.8% growth at Moto Guzzi, bucking trend on Western motorcycle markets

In India, leadership confirmed in three-wheelers, with an overall share of 34.3%; in the three-wheel goods vehicle segment, market share rises from 52% to 53.6%. Exports up 6.6%

Milan, 11 November 2013 – 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 2013.

The Piaggio Group's performance for the period was **positive**, and particularly significant when considered in relation to the macroeconomic scenario in the first nine months of 2013, an exceptionally challenging period for most industries, with areas of great difficulty on the markets and in the two-wheeler and commercial vehicle segments in which the Group operates.

In the first nine months of 2013, the **two-wheeler segment of Piaggio's domestic European market** continued to show the sharpest decline recorded since 2007, with **aggregate volumes now 55% lower than those of five years ago**. From January to September 2013 there was a downturn of 13.1% (-17.8% in scooters and -5.5% in motorcycles), with an unprecedented drop in demand on the Italian market. Market performance was further exacerbated by unstable weather conditions in most European countries for a good part of the year. Strong slowdowns were also reported in demand for commercial vehicles on the main European markets: Italy (-16.3%), France (-6.9%) and Germany (-6.4%).

Piaggio Group **consolidated net sales** in the first nine months of 2013 amounted to 955.0 million euro, compared with 1,112.3 million euro in the first nine months of 2012. The **growing strength of the euro** was another significant factor affecting Group performance. Excluding the **exchange-rate effect**, Group consolidated net sales would have been 34.3 million euro higher. The **reduction in consolidated net sales arising from the exchange-rate effect** was due to the depreciation, chiefly, of the Indian rupee and, to a lesser extent, of the Vietnamese dong and the US dollar.

In the first nine months of 2013 the **Piaggio Group shipped 429,900 vehicles worldwide** (two-wheelers and commercial vehicles). The 9.5% reduction in volumes compared with the first nine months of 2012 arose from a variety of situations, including the sharp contraction in two-wheeler sales in **Europe** mentioned above, a slight reduction in scooter volumes in **Asia Pacific** and strong growth in vehicle sales in **India** (+11.3%), where the Vespa production facility was fully operational (33,200 shipments in January-September 2013), after marketing operations in India began in the second quarter of 2012. The Group reported excellent results on the **American two-wheeler market**, with 7.7% growth in shipments. In the **Asia Pacific** region, scooter sales in the third quarter of the year were positive in Thailand, the Philippines and Indonesia.

The Piaggio Group maintained its **leadership of the European two-wheeler market**, with an overall share of 17.5% and 26.3% in scooters. With a share of more than 23%, the Group also retained its position as **benchmark manufacturer on the North American scooter market**, where on 25 October in New York it launched the Vespa 946, which it has been launching gradually across Europe and Asia since May.

Global performance for the Vespa was particularly significant in the first nine months of 2013, with worldwide shipments of more than 146,600 scooters, an improvement of 21.3% from 120,900 scooters sold in the year-earlier period.

Important **growth** was also reported for the **Moto Guzzi** brand, which bucked the trend on Western motorcycle markets in the first nine months of 2013 with growth of 9.8%; shipments totalled approximately 5,900 motorbikes, compared with approximately 5,400 in the first nine months of 2012.

On the **Indian three-wheeler market**, Piaggio Vehicles Private Ltd. confirmed its leadership position with an overall share of 34.3% and a performance reflecting the benefits of the addition to its range of the new Apé City Passenger launched at the end of 2012. In goods vehicles, PVPL's market share in India rose from 52% to 53.6%. An improvement (+6.6% from the first nine months of 2012) was reported in **three-wheeler exports** from the Indian production centre.

The Group's **industrial gross margin** was 290.6 million euro, down from 337.3 million euro in the first nine months of 2012, but with a **rise in the net sales margin to 30.4%** compared with 30.3% in the first nine months of 2012.

Constant control over costs and productivity enabled the Piaggio Group to **maintain positive profit margins, which, as a percentage of turnover, were identical to those of the first nine months of 2012**. This was achieved without slowing the roll-out of its global expansion strategies based on premium pricing and brand policies, a product mix featuring products of superior quality, consolidation of leadership on Western markets, and growth on the main emerging markets.

Operating expense in the first nine months of 2013 was 219.2 million euro, a decrease of approximately 22.3 million euro from the year-earlier period, confirming the strong Group focus on cutting costs and keeping high levels of profitability and productivity.

Consolidated Ebitda in the first nine months of 2013 was 133.7 million euro, compared with 156 million in the year-earlier period. The **Ebitda margin was 14.0%,** identical to the figure in the first nine months of 2012 thanks to significant cost efficiencies achieved during the period.

Ebit in the first nine months of 2013 was 71.4 million euro, compared with 95.8 million euro in the year-earlier period. The Ebit margin was slightly down at 7.5%, compared with 8.6% in the year-earlier period.

For the first nine months of 2013 the Piaggio Group reported **profit before tax** of 46.3 million euro, compared with 71.6 million euro in the year-earlier period. The nine months to 30 September closed with a net profit of 27.8 million euro, compared with 44.4 million euro in the first nine months of 2012.

Net debt at 30 September 2013 was 454.6 million euro. Compared to the figure at 31 December 2012 (391.8 million euro), the increase was largely due to the reduction in cash flow from operations and the rise in working capital. Compared with the figure at 30 June 2013, net debt was down 3.6 million euro. The Group maintained a robust debt profile, with average maturity in the order of 2.3 years and strong liquidity backup.

Shareholders' equity at 30 September 2013 amounted to 427.2 million euro, down by approximately 12.7 million euro from 31 December 2012.

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Events after 30 September 2013

On 20 October 2013, **Aprilia won the World Superbike 2013 Manufacturers championship**, raising the number of SBK world championship titles won in the last four years to five (2 rider titles, 3 manufacturer titles) and increasing the total number of world championship titles won in just over twenty years of motor-racing activity to 52.

On 25 October 2013, in **New York, on 5th Avenue, the Vespa 946 made its debut** on the North American market. The presentation follows the European and Asian market launches of the Vespa 946, the most exclusive and technologically advanced Vespa scooter of all time.

On 5 November 2013 the very latest arrival, the **Vespa Primavera, was presented at the EICMA Motor Show in Milan**. Produced in the Piaggio Group factory in Pontedera and simultaneously – for the first time in the history of the Vespa – in the Vietnamese factory in Vinh Phuc, the new Vespa Primavera incorporates all the values that, forty-five years ago, decreed the success of the first Primavera scooter. A radically new design, a new all-steel body, new dimensions, traditional agility but enhanced stability and comfort, powered by latest-generation eco-sustainable 4- and 2-stroke 50cc and 4-stroke 3-valve 125cc and 150cc engines, the Vespa Primavera adopts a number of the styling and technical solutions of the Vespa 946, the most luxurious, expensive and technologically advanced model in the history of the Vespa.

Outlook

Despite the slowdown in growth at global level, and among the Western economies in particular, in light of the results for the first nine months of the year, the Group is committed to maintaining the direction outlined in the Business Plan presented in December 2011.

It therefore confirms both its commitment to growth in productivity (by leveraging its wider international presence to boost product cost competitiveness on key processes such as procurement, manufacturing, engineering) and its industrial and commercial development strategy in Asia and its leadership consolidation strategy on Western markets.

Given the continuing difficulties in the general economic situation, the company confirmed its intention of presenting a new 2014-2018 Business Plan within the next few months, before the expiry of the previous 2011-2014 Plan.

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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.

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Consolidated Income Statement

		First nine months 2013		First nine months 2012	
		Total	*of which related parties*	Total	*of which related parties*
In thousands of euro	*Note*				
Net sales	4	**955,006**	**214**	**1,112,310**	**449**
Cost of materials	5	553,912	16,871	655,497	27,859
Cost of services and use of third-party assets	6	158,124	2,998	192,807	3,019
Employee expenses	7	162,875		170,490	
Depreciation property, plant and equipment	8	28,812		27,151	
Amortisation intangible assets	8	33,569		33,111	
Other operating income	9	68,749	504	76,952	175
Other operating expense	10	15,100	11	14,424	
EBIT		**71,363**		**95,782**	
Share of result of associates	11	1,164		3,565	
Finance income	12	2,286		1,682	
Finance expense	12	27,093	209	29,865	299
Net exchange-rate gains/(losses)	12	(1,458)		415	
Profit before tax		**46,262**		**71,579**	
Income tax	13	18,505		27,201	
Result from continuing operations		**27,757**		**44,378**	
Discontinued operations:					
Profit or loss from discontinued operations	14				
Net profit (loss) for the period		**27,757**		**44,378**	
Attributable to:					
Equity holders of the parent		**27,690**		**44,296**	
Minority interests		**67**		**82**	
Earnings per share (in €)	15	**0.077**		**0.122**	
Diluted earnings per share (in €)	15	**0.077**		**0.122**	

PIAGGIO & C. s.p.a.

Consolidated Statement of Financial Position

		At 30 September 2013		At 31 December 2012	
		Total	*of which related parties*	Total	*of which related parties*
In thousands of euro	*Note*				
ASSETS					
Non-current assets					
Intangible assets	16	653,268		660,968	
Property, plant and equipment	17	301,471		321,015	
Investment property	18	7,346			
Equity investments	19	7,052		6,049	
Other financial assets	20	12,065		13,047	
Non-current tax receivables	21	4,988		1,195	
Deferred tax assets	22	38,363		36,714	
Trade receivables	23			28	
Other receivables	24	12,982	231	13,781	372
Total non-current assets		**1,037,535**		**1,052,797**	
Assets held for sale	28				
Current assets					
Trade receivables	23	90,858	1,000	63,079	946
Other receivables	24	27,752	6,850	37,301	6,610
Current tax receivables	21	26,833		18,592	
Inventories	25	234,608		221,086	
Other financial assets	26			1,260	
Cash and cash equivalents	27	65,552		86,110	
Total current assets		**445,603**		**427,428**	
TOTAL ASSETS		**1,483,138**		**1,480,225**	

In thousands of euro	Note	At 30 September 2013 Total	At 30 September 2013 of which related parties	At 31 December 2012 Total	At 31 December 2012 of which related parties
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity					
Share capital and reserves attributable to equity holders of parent	29	426,246		438,628	
Share capital and reserves attributable to minority interests	29	958		1,245	
Total shareholders' equity		**427,204**		**439,873**	
Non-current liabilities					
Borrowings due after one year	30	407,217	2,900	376,574	2,900
Trade payables	31			259	
Other non-current provisions	32	11,804		12,352	
Deferred tax liabilities	33	7,251		6,639	
Pension funds and employee benefits	34	49,877		50,470	
Non-current tax payables	35	464		555	
Other non-current payables	36	4,702	448	6,423	
Total non-current liabilities		**481,315**		**453,272**	
Current liabilities					
Borrowings due within one year	30	123,690		115,042	
Trade payables	31	381,634	13,979	392,893	17,382
Tax liabilities	35	16,776		15,757	
Other current liabilities	36	41,271	1,178	50,345	187
Current portion of other non-current provisions	32	11,248		13,043	
Total current liabilities		**574,619**		**587,080**	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1,483,138**		**1,480,225**	