Good afternoon and welcome to everybody.

Let us move to our presentation; we can follow the highlights starting from pages 3 and 4 of the presentation.

Net sales accounted for 1.485 ML Euro, in line with previous year, but with a different geographical mix: the growth of our Asian operations (India and Vietnam) offset the decrease of European and American sales, affected by a negative market scenario.

Gross Margin was 462 ML Euro, 5 ML lower than last year, accounting for 31,1% in terms of ratio to net sales.

EBITDA was 197 ML Euro, 3,7 ML lower than last year, with a percentage contribution by 13,3%, while the EBIT increased to 111 ML Euro, 6,7 ML higher than previous year.

Financial Expenses went down to 27,3 ML Euro from 30,3 ML during last year.

As a consequence, Income Before Tax was 83,8 ML (10 ML more versus 2009), while Net Income was 42,8 ML Euro, around 4,6 ML Euro less than previous year due to a higher tax contribution.

Net Financial Position was 350 ML Euro, with a cash generation by 2 ML.

**Net Sales Trend**

Moving to slide number 5 we can have a deeper look at Net Sales trend.
**Piaggio Group total Net Sales** accounted for 1.485 ML Euro, in line with previous year.

**Total 2 wheels sales**, including spare parts and accessories, accounted for 988 ML Euro, down from 1.065 ML in 2009. In terms of businesses, the negative turnover performance came from 50 ML decrease in scooters and from a 20 ML decrease in the motorcycle segment (which registered a -12% over previous year).

On the other side, **total Commercial Vehicles sales** increased to 497 ML Euro from 421 ML Euro in 2009 (with an increase by 18%).

**2 wheels Western Countries sales**, which include European and American sales, accounted for 855 ML Euro, with a decrease by 12,9%.

This is the result of 2 wheels European sales accounting for 832 ML Euro, with a 9,6% decrease, compared to a total European market decrease of 13% in the same period, and 2 wheels American sales accounting for 23 ML Euro, with a decrease of about 35 ML.

**2 wheels Asian sales** were up to 133 ML Euro, about 50 ML higher than 2009, mainly thanks to our Vietnamese Operations and to the first steps of distribution development in the whole area.

**Commercial Vehicles** increased from 421 ML to 497 ML in 2010, thanks to the contribution of our Indian sales that grew by 36% compared to previous year, in line with the strong growth of the Indian market.
Overall, looking at the geographical mix of total sales, and considering both 2 wheels and Commercial Vehicles business segments, Asian revenues contribution to total sales increased from 25% to 35% in 2010.

**Total Volumes Trend**

The next slide shows the overall number of units sold, which increased from 608K to 628K units (3% increase over previous year).

Total 2 wheels accounted for 395K units:

- We maintained our market share in Western Countries markets. In Europe we kept our market share at 20%, the same level as last year (stable in scooters, at 27%, and slightly increasing in bikes, from 6.4% to almost 7%). As a consequence, sales volumes went in line with the market, which registered a decrease of 13% in scooter segment and of 12% in bikes.
- Asian volumes grew in 2010 from 37K to 60K units (48K in Vietnam and 12K in the other countries of the region).

Going into details of 2 wheels results, scooters volumes accounted for 355K units, -4% compared to previous year.

Motorcycles accounted for 40K units sold, that means a 3% decrease compared to previous year.

Coming to Commercial Vehicles, the 3 and 4 wheelers units sold had an overall increase of 18%, up to more than 230K units, thanks to the Indian performance that registered an increase by 21%.

**EBITDA Evolution**

Going to slide 7, we can have a deeper look at the EBITDA evolution.
The EBITDA accounted for 197,1 ML Euro, with an EBITDA margin of 13,3%, almost in line with previous year.

This result was generated by a lower Cash Gross Margin, about 6 ML less than previous year, partially offset by savings in cash operational expenses, about 2 ML.

It should be noticed that the different composition of our sales caused a 0,7 p.p. negative impact on Gross Margin over Revenues, partially offset by purchasing and industrial efficiencies. In particular, that came from Indian sales increase, that shows a lower Gross Margin, more than recovered at the EBITDA level.

We registered also some purchasing efficiencies, that more than offset also some raw materials increase.

In terms of cash operational expenses, the Group achieved a reduction of 2 ML Euro, despite the development of our Asian operations.

**Net Income**

The next slide shows Net Income evolution, which accounted for a total amount of 42,8 ML Euro compared to 47,4 ML registered in 2009 (that means 5 ML decrease).

This came from the following:

- The EBIT increased by 7 ML Euro to 111,1 ML, with a growing EBIT margin from 7,0% up to 7,5%, also thanks to lower D&A, following a higher percentage in industrial investments, with a longer depreciation period.
- Financial Expenses showed a 3 ML Euro improvement compared to last year, thanks to the decrease of cost of funding related to the replacement of the bond issued in 2005 with a new bond issued at the end of 2009 and to the lower floating rates.
- The EBT was 83,8 ML, almost 10 ML higher than previous year, that means a 13% increase.
- At the tax level, we had an overall cost of 41 ML Euro, with an increase of about 14 ML Euro versus 2009. This increase was due to the higher EBT as well as to
a different distribution of taxable income among different countries, with a consequent higher tax rate (48.9% versus 36%).

**Balance sheet**

Moving to slide 9, we can have a look at the balance sheet.

Net Financial Position accounted for 350 ML Euro, with a cash generation of 2.1 ML Euro for the whole year, versus 7.7 ML in the previous year but, considering a slightly higher dividend distribution and higher buy back in 2010, the cash generation was at the same level.

To better appreciate the cash flow of the period, we can directly move to slide 10. The cash generation came from:

- Operating cash flow, which generated 120 ML Euro coming from the P/L analyzed before;
- Working capital reduction, which generated additional 8 ML Euro, mainly thanks to lower inventories;
- 96 ML Euro in capital expenditure, in line with our yearly capex plan;
- 26 ML Euro cash absorption for dividend payment;
- 3.3 ML Euro shares buy-back.

I thank you for your kind attention.

We have finished our presentation, and we are ready for your questions.

March 7th, 2011