



PIAGGIO GROUP ANALYST AND INVESTOR MEETING

Piaggio Group 2009-2012

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Main strategic drivers to growth (1/3)

• Finance: target Debt/Equity << 1



- Focus on Cash flow: growth due to the net sales increase
- Strictly manage Product profitability
- Improve Operating efficiency

• 2 wheels Asia: seize the largest opportunity for the Group to grow in the 2 wheels business



- Create the conditions for a strong and lasting growth in the Asian area: product range, commercial structure, people and organization
 - Extend product range (Vespa product range extension, 1 new ScooterCub model, 1 new Scooter standard, imported products)
 - Build-up a new commercial organization and distribution network
 - Capitalize manufacturing facility investment
 - Develop an appropriate supporting organization acting as headquarter for the whole Asian area

• 2 wheels Europe: strengthen the leadership position



- Develop Scooter product range
 - Consolidate the coverage on High Wheel and Classic segments
 - Strengthen the coverage on GT segment
 - Reshape covering strategy on Value For Money segment
- Develop Motorcycle product range
 - Aprilia: focus on market segments close to the racing world
 - MotoGuzzi: focus on traditionally distinctive Motoguzzi market segments (custom, naked and Touring)
 - Derbi: maintain current product range
- Push on marketing activities
- Shift in advertising investment portfolio in order to bring products closer to end customers and recreate the emotional bond
- Develop and Specialize the distribution network, from a Brand retail model to a Business Specialized (scooter/motorcycles) retail model



Main strategic drivers to growth (2/3)

- **2 wheels Americas: keep on growing**



- Complete product lines with selected additions
- Communicate to dealers and consumers the value of our products
- Complete development of dealer network and increase sales effectiveness

- **Commercial Vehicles India: resume the growth path and enhance profitability**



- Develop 4 wheels product range, with new Ape Mini Truk, new Ape Truk Maxi Cargo and new Diesel engines 1.000cc and 1.200cc
- Maintain 3 wheels product range, with new Ape City Passenger
- Upside opportunities: Vespa localization, export business development, Diesel engine business development

- **Commercial Vehicles Europe: grow leveraging on eco-friendly solutions**



- Develop Product range, reinforcing eco-solutions offering: new Porter, new Diesel engines for Porter and Quargo vehicles, APE range maintenance, technological development of electric Porter
- Reduce product cost
- Increase sale in Europe by Strengthening commercial network and organization

- **Increase Product and Service Quality and Customer Satisfaction level**



- Focus on capabilities to capture, to understand and to fulfill customers needs and expectations
- Europe: Customer & Dealer Satisfaction (CDS) protection and brand loyalty enhancement
- USA, Vietnam e India: strengthen processes and tools, in line with Piaggio Group CDS model



Main strategic drivers to growth (3/3)

- **Build-up a world-wide manufacturing organization and rationalize production plants**
- **Implement a Worldclass Manufacturing Model**



- Rationalize European production facilities: specialize Pontedera and Scorzè, reorganize Martorelles and Mandello
- Expand Asian production facilities: expand Indian plant to engine production, evaluate Vietnamese plant production capacity expansion both for local or overseas sales
- Implement a WorldClass Manufacturing model

- **Strengthen Sourcing capabilities**



- Develop an international Sourcing organization, with localized purchasing head-offices
- Keep and evolve the current Vendor Rating system
- Improve suppliers Quality

- **Reduce product range complexity, product cost and time-to-market**
- **Secure advances in technology as a strong competitive lever**



- Evolve current R&D organization in line with the internationalization strategy
- Rationalize current product range and reduce current product range cost
- Focus on market needs, product Target cost and Value Analysis
- Preserve brand distinctiveness and brand values
- Innovate, through design, engines (hybrid, electric,...) safety, comfort, eco-sustainable solutions

- **Develop an international organization and manage Group restructuring process**

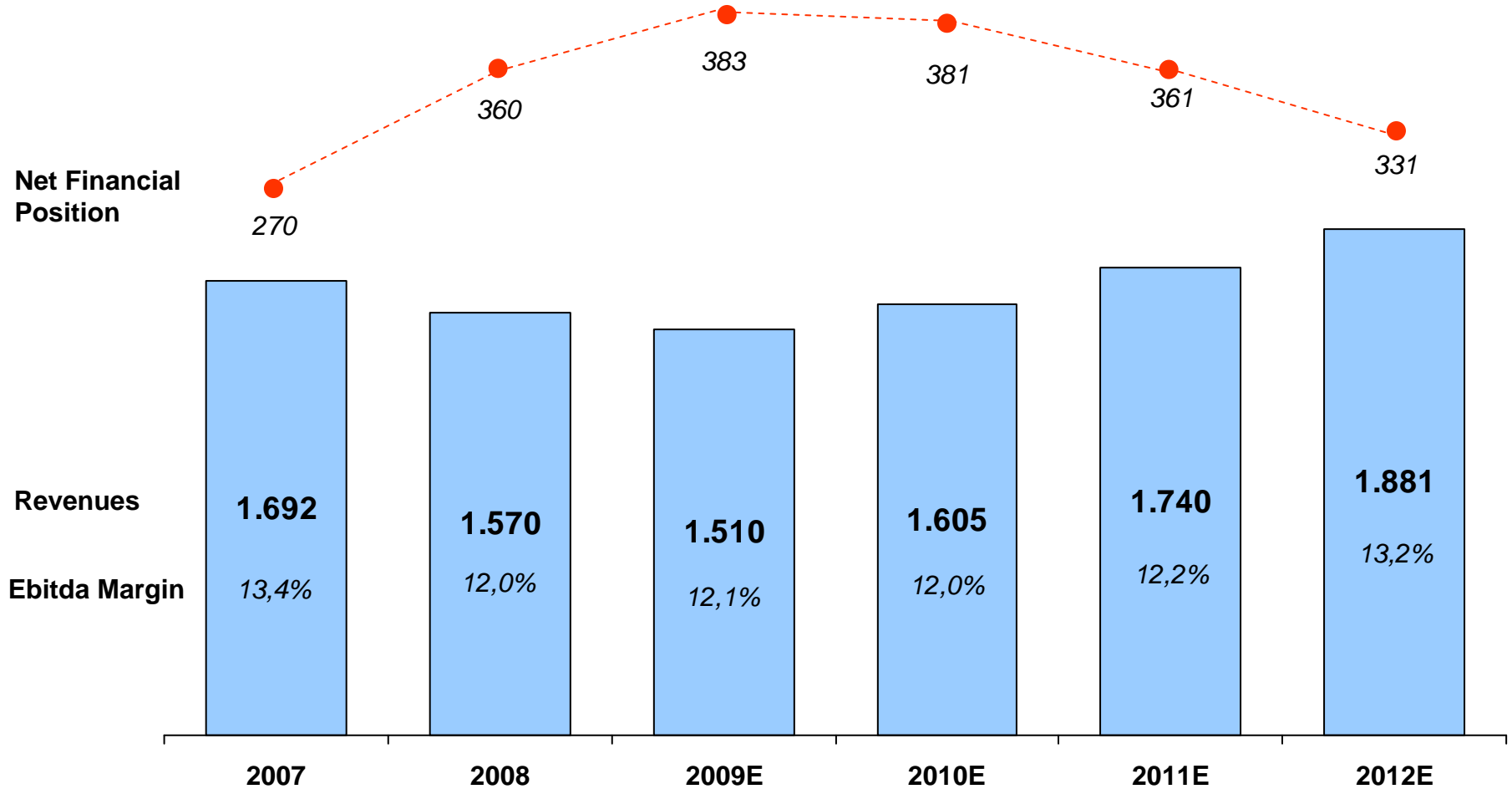


- Design the evolution of HeadQuarter and Operating Units roles and responsibilities
- Develop processes and support tools (IT) for HeadQuarter, subsidiaries and dealer network interfaces
- Monitor and review key processes, in terms of efficiency and flexibility and improve organization effectiveness
- Spread company values: internationalization, innovation, accountability on results, people growth inspiration
- Identify, develop and retain talents and key-people



Key Financial Indicators evolution

Mln euro, %

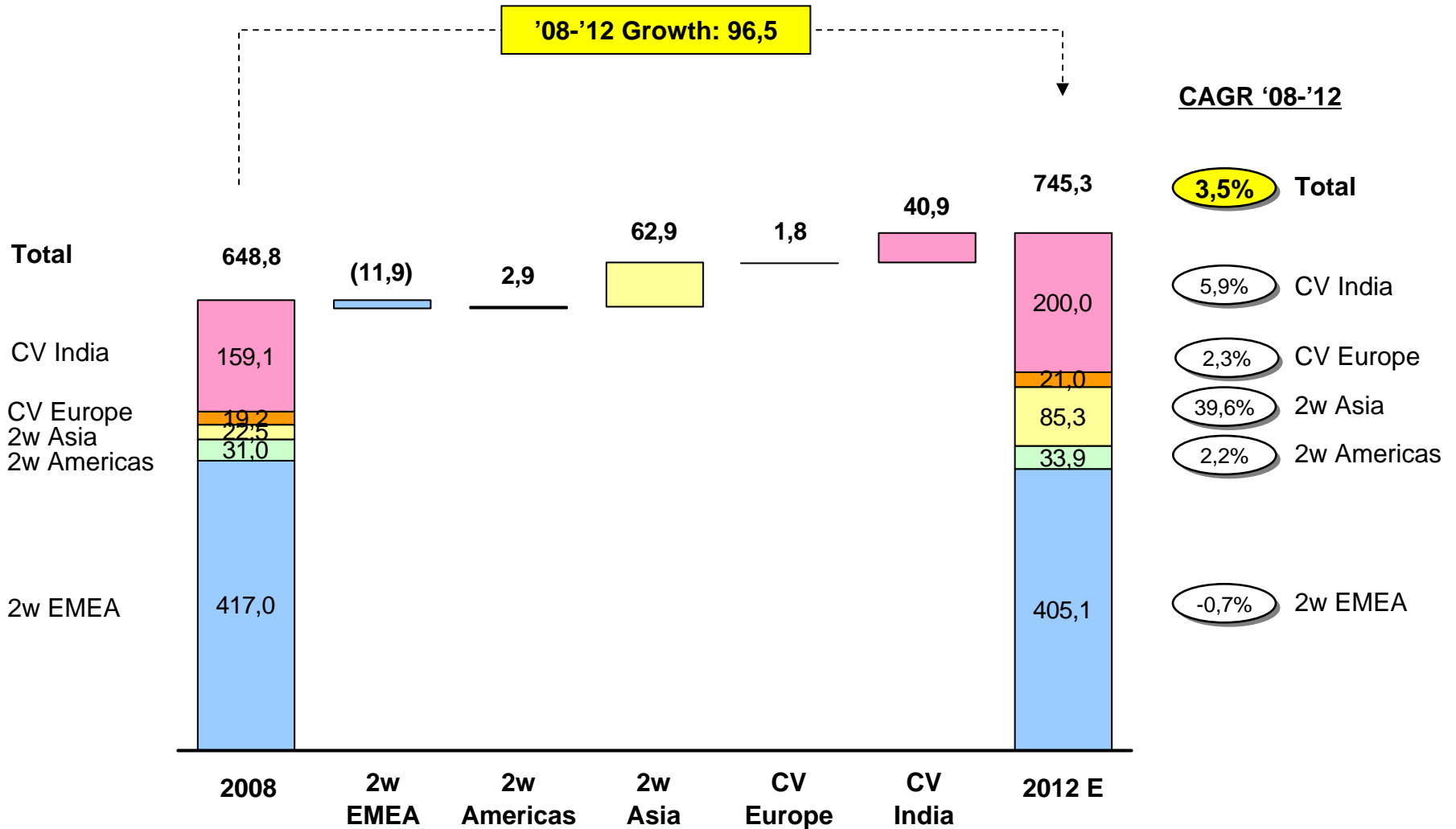




Volumes

Breakdown by Business Unit

.000 sell-in units

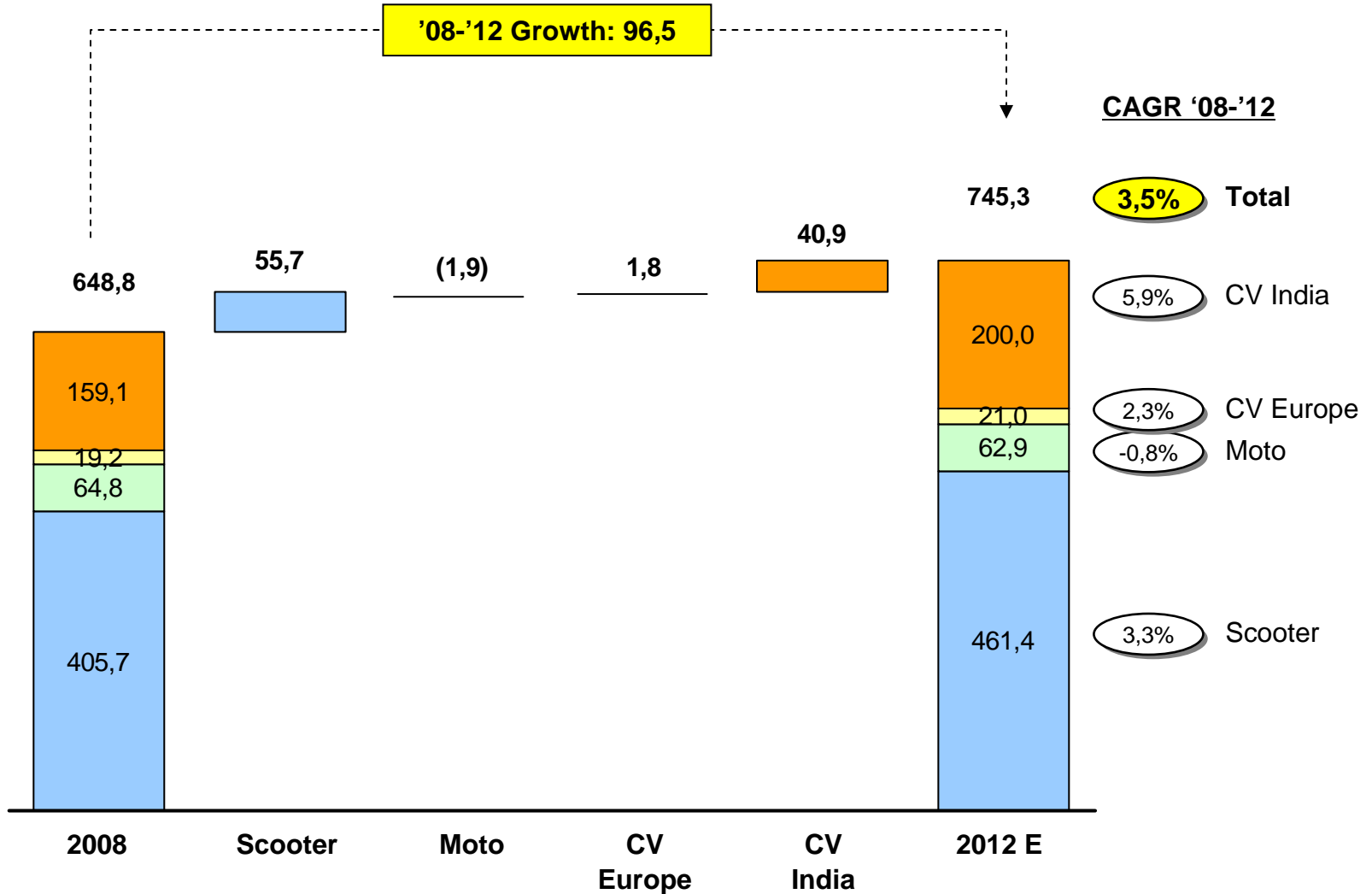




Volumes

Breakdown by Business Segment

.000 sell-in units

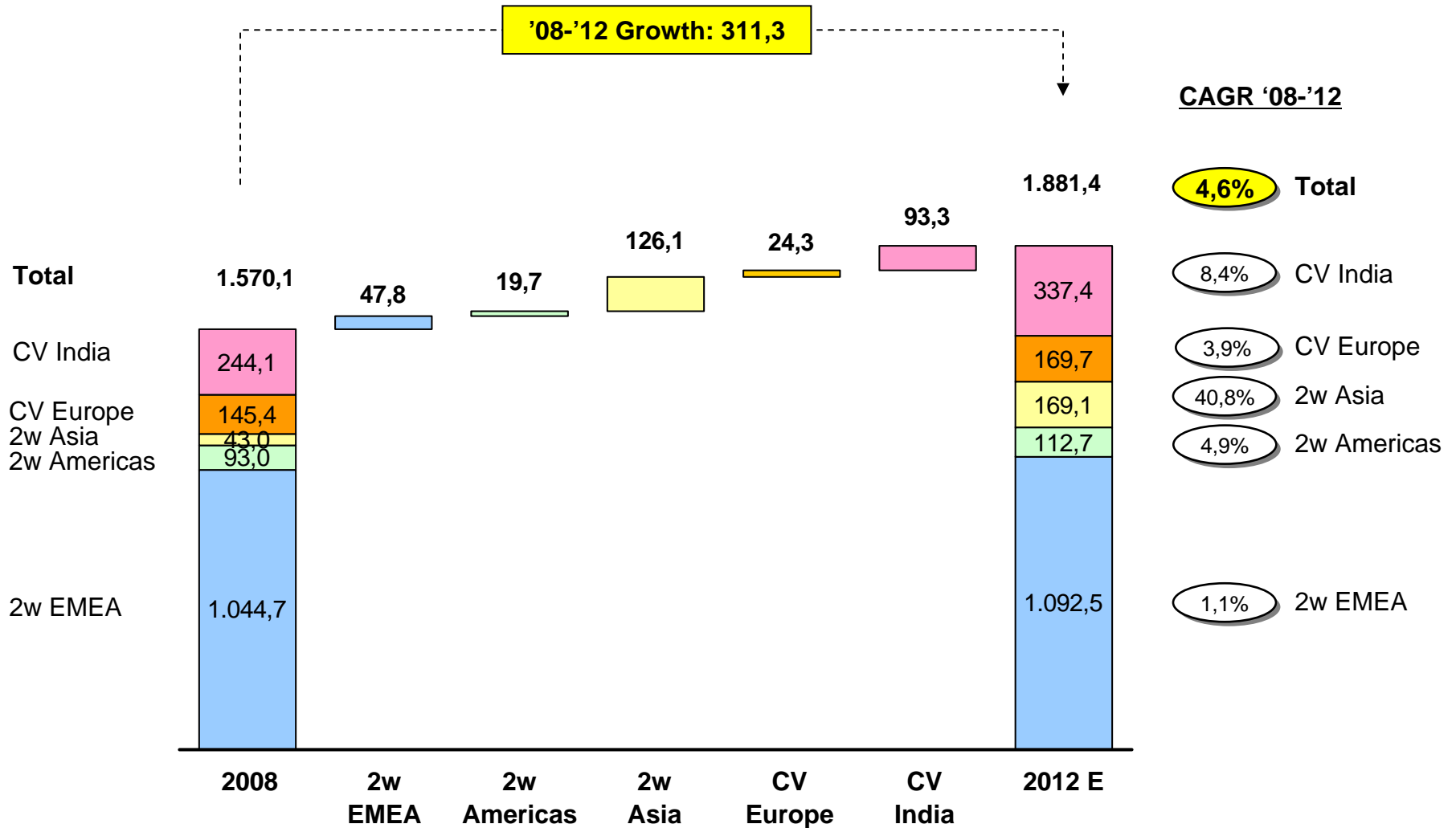




Revenues

Breakdown by Business Unit

MIn euro

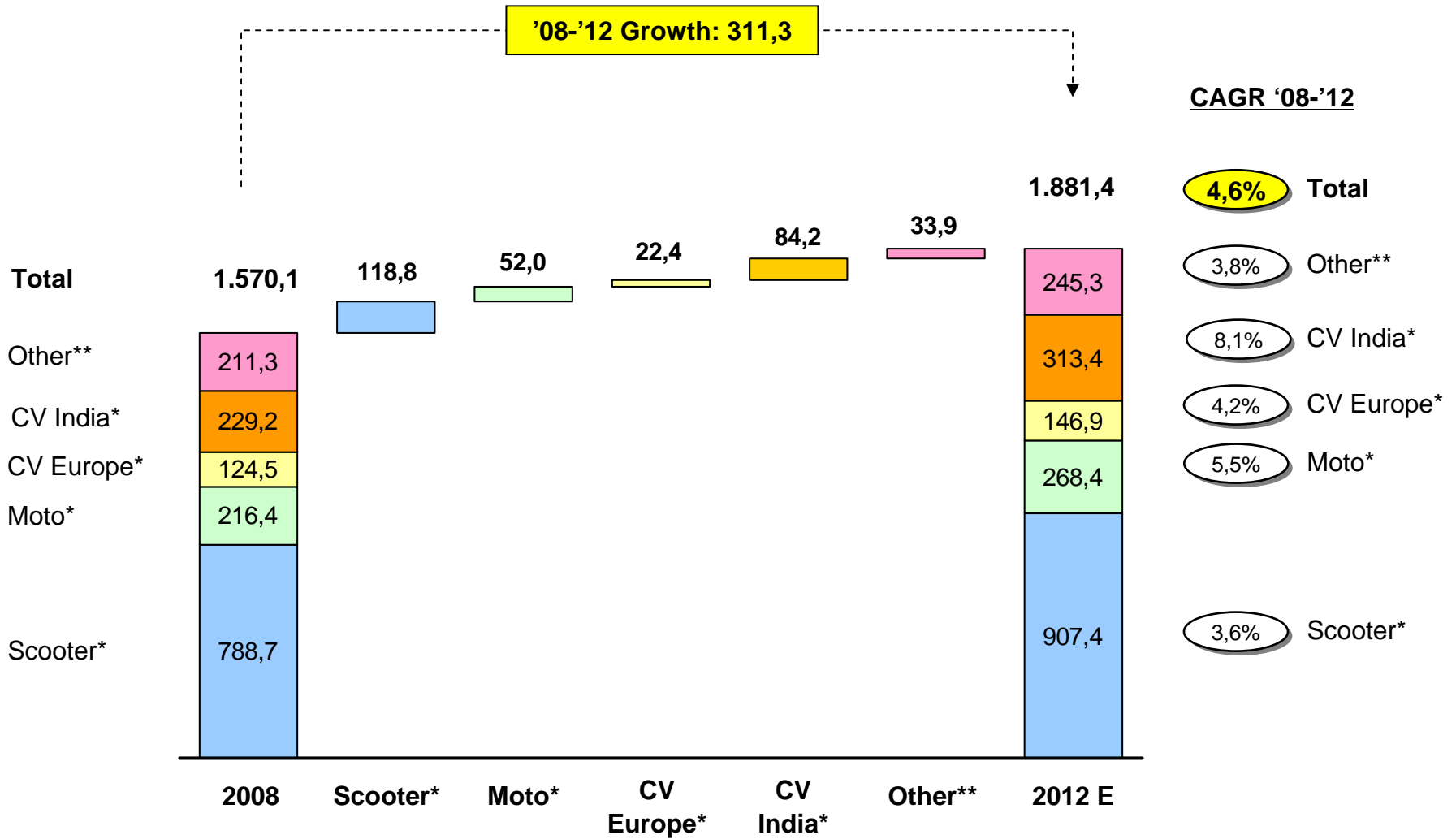




Revenues

Breakdown by Business Segment

MIn euro



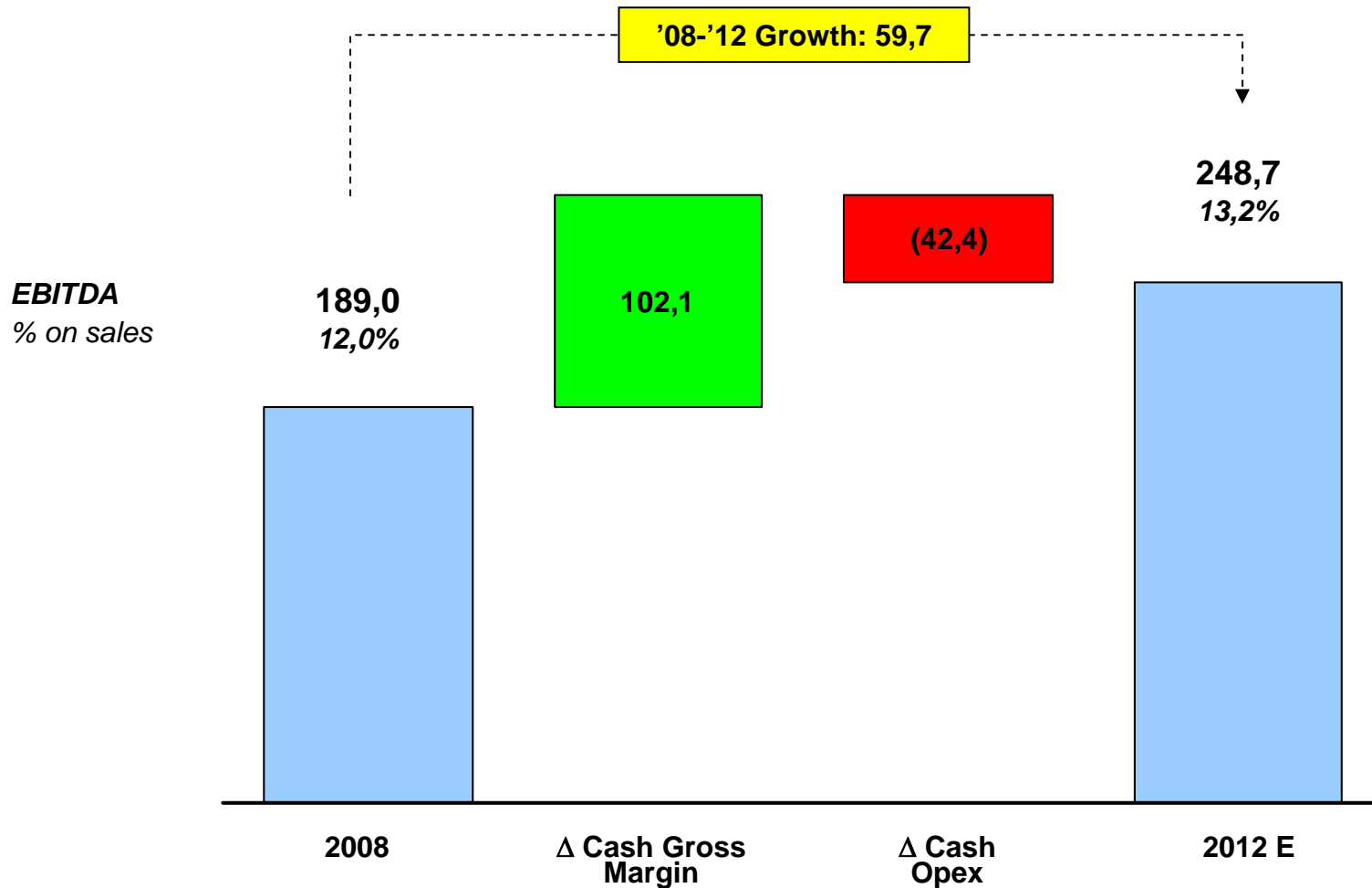
* Vehicles net sales

** Spare parts, accessories, engines, racing, other



EBITDA Bridge

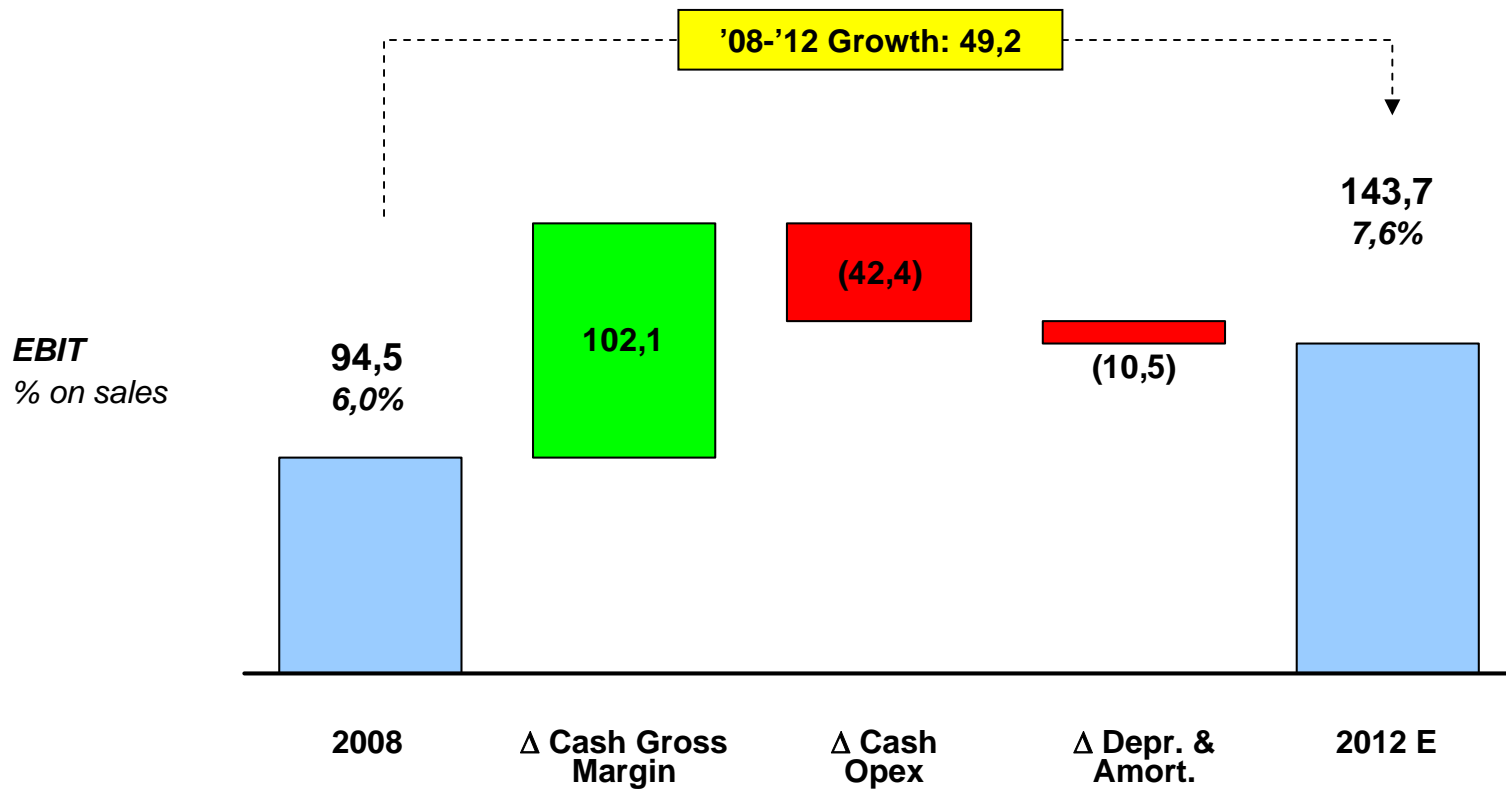
Mln. Euro, %





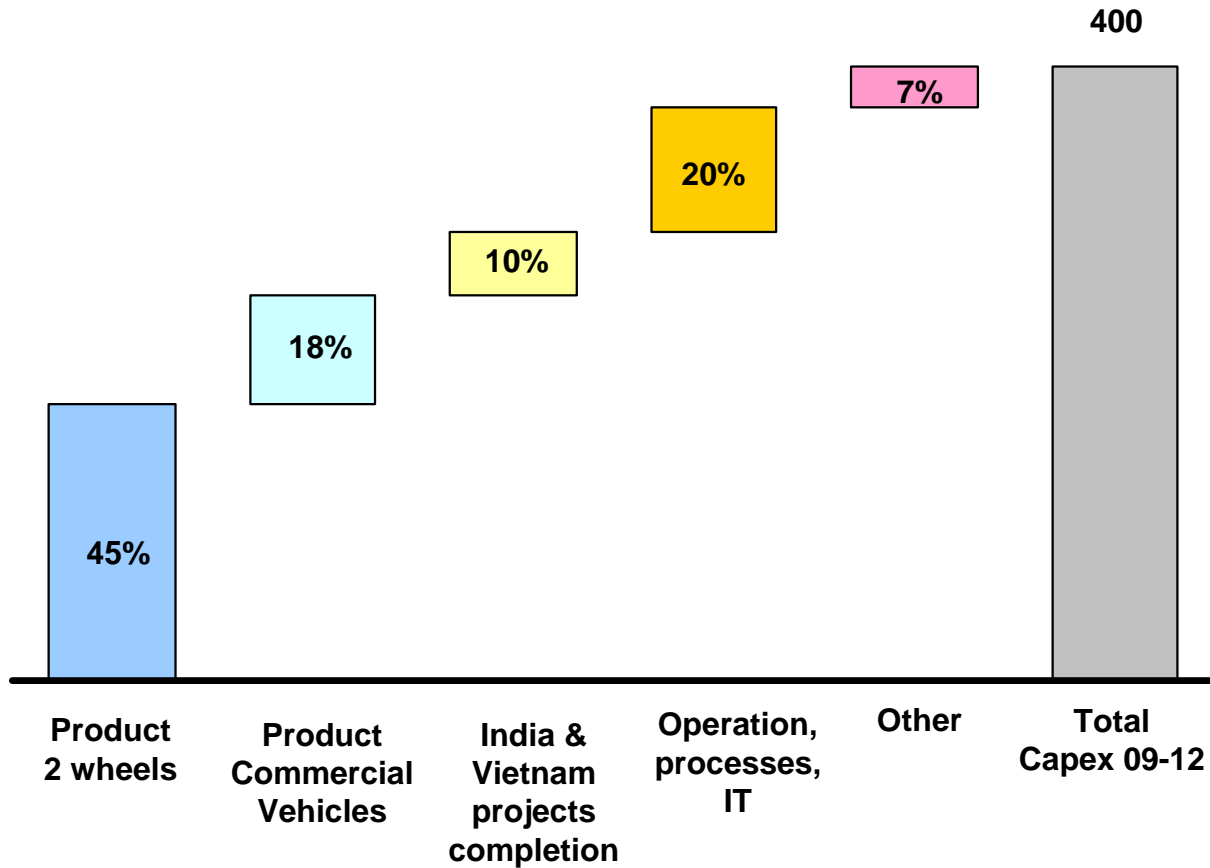
EBIT Bridge

Mln. Euro, %





Total Capex allocation 2009-2012, Mln euro

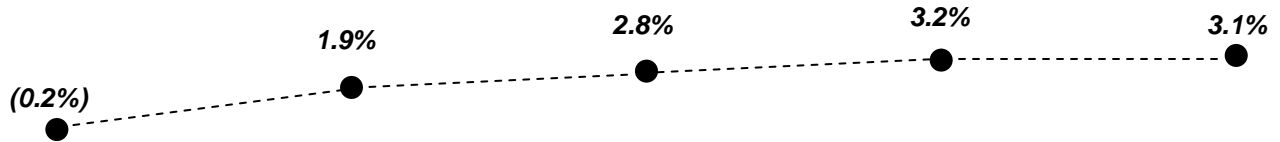




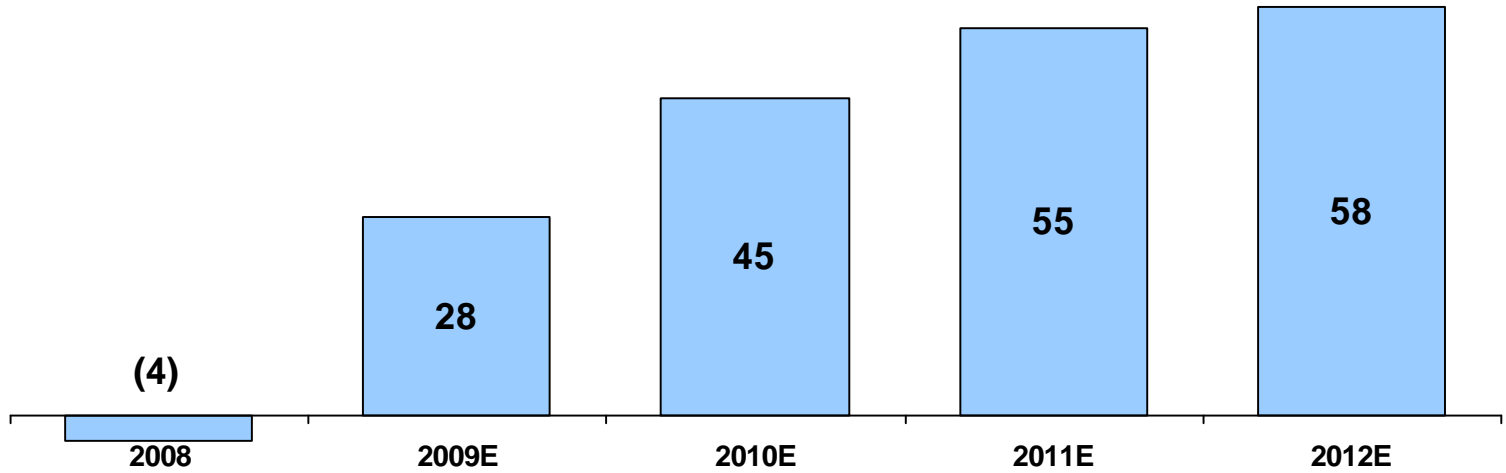
Working Capital evolution

Mln. Euro, %

WC/Sales



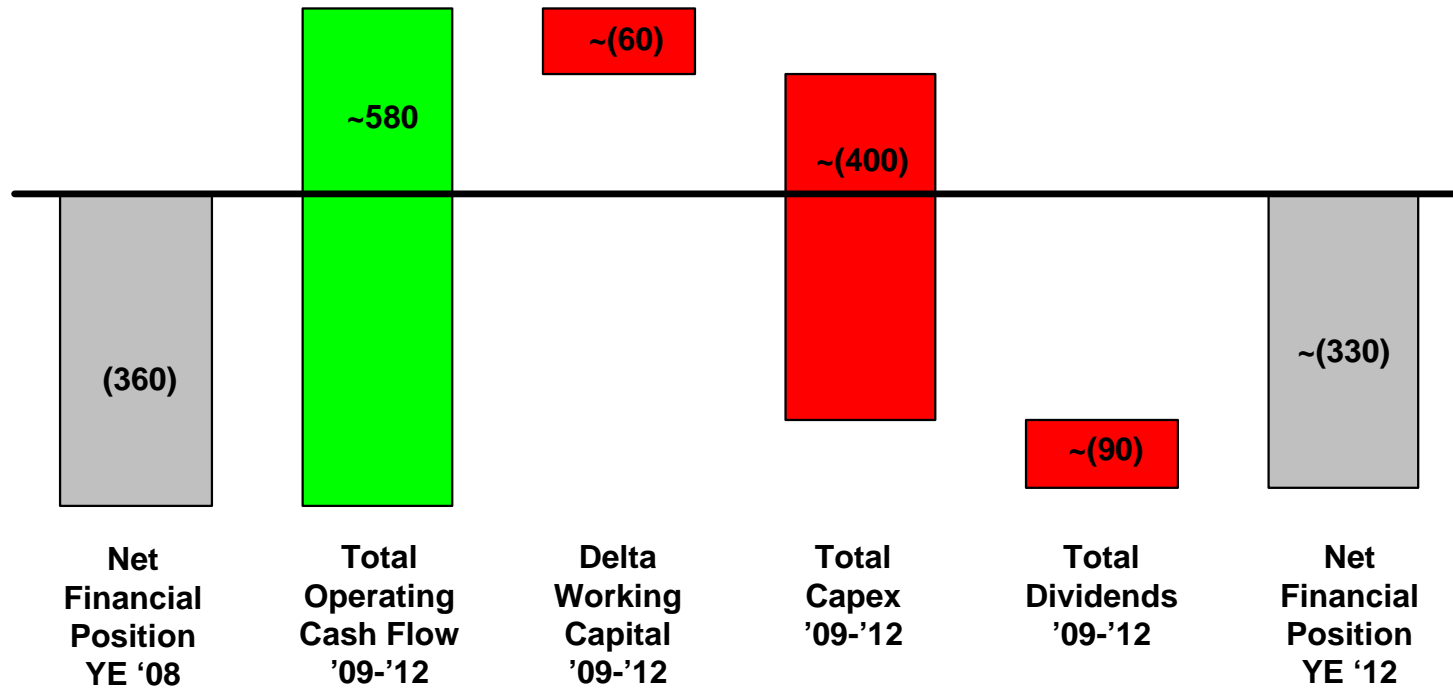
Working Capital





Total Cash Flow and PFN evolution

Mln euro, %



Debt/Equity ratio

0,9

0,7