

**PRESS RELEASE****PIAGGIO GROUP: FIRST HALF 2011****Net sales € 830.0 million (€ 820.8 mln in H1 2010)****EBITDA € 120.3 million (€ 117.5 mln in H1 2010)****EBITDA margin up to 14.5% (14.3% in H1 2010)****EBIT € 75.0 million (€ 74.6 mln in H1 2010)****Net profit € 33.3 million (€ 33.1 mln in H1 2010)****346,500 vehicles shipped (340,800 in H1 2010)****Net debt € 332.1 million  
(down from € 349.9 million at 31.12.2010  
and € 341.7 million at 30.06.2010)**

*Milan, 27 July 2011* – At a meeting today in Mantua chaired by Roberto Colaninno, the Board of Directors of Piaggio & C. S.p.A. examined and approved the half-year report at 30 June 2011.

The Piaggio Group's results for the first six months of 2011 reflect improvements in all the main business and financial indicators and confirm the importance of the decisions made by the Group to strengthen its industrial and commercial operations in the world's fastest-growing regions.

In the first six months of 2011 the Piaggio Group shipped a total of **346,500 vehicles** – motorcycles, scooters and commercial vehicles – reporting a **1.7% increase in volumes** compared with 340,800 vehicles sold in the first half of 2010.

Group **consolidated net sales** also increased, reaching 830.0 million euro in the first half of the year, an improvement of 1.1% from 820.8 million euro in the year-earlier period. Net of the exchange-rate effect, net sales improved by 3% from the first 6 months of 2010.

**Consolidated EBITDA** rose to 120.3 million euro for the first half of 2011, an increase of 2.4% from 117.5 million euro in the year-earlier period. The **EBITDA margin** also strengthened, to 14.5% (14.3% in the first half of 2010).

The Group also reported an YoY improvement in **EBIT** performance in the first half, with consolidated EBIT at 75.0 million euro, an increase of 0.4 million euro from the first six months of 2010.

The first half of 2011 closed with a **consolidated net profit** of 33.3 million euro – a small increase from 33.1 million euro in the year-earlier period – after tax for the period of 28.5 million euro (46.1% of profit before tax).

The **net financial position** at 30 June 2011 stood at -332.1 million euro, a significant improvement from -349.9 million euro at 31 December 2010, and -341.7 million at 30 June 2010.



**Shareholders' equity** at 30 June 2011 amounted to 442.2 million euro, compared with 442.9 million euro at 31 December 2010 after distribution of dividends for 25.7 million euro.

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Looking at **performance in the various geographical and business areas**, in the **two-wheeler business** market conditions were particularly complex in Italy and Europe. In the EMEA area, the two-wheeler market slackened by around 7% in the first half of the year: within the area, the Piaggio Group confirmed its position as **European leader in scooters**, raising its market share to about 27.3%.

The Group also maintained its leadership in the US scooter sector with a share of 24.6%; the US market showed signs of an upturn in the first half of 2011 with an improvement of approximately 1% (+28% in scooters).

The Group turned in a particularly strong performance on the two-wheeler market in the **Asia Pacific** region (37,200 shipments, +25.7% from the first half of 2010), thanks to the success of its operations in Vietnam and the first results of its move on to **important new markets** in South East Asia. During the first half the Group commenced sales operations in **Thailand**, after opening its first Vespa flagship stores in **Taiwan and Malaysia** at the beginning of the year, and in June announced its entry into **Indonesia** (the world's third-largest two-wheeler market after China and India) with the subsidiary **PT. Piaggio Indonesia**, which began operations in July.

In the first six months of 2011, the Group also reported significant progress in **motorcycles** – thanks in particular to the new **Aprilia** and **Moto Guzzi** models – with **overall growth** in worldwide sales volumes and turnover (102.1 million euro in the first half of 2011, +18.8% from the first half of 2010).

In **commercial vehicles**, the Piaggio Group closed the first half with total shipments of **118,800 vehicles**. On the **European market** the Group sold 7,400 vehicles, in the first six months. On the **Indian three-wheeler market**, Piaggio Vehicles Private Limited confirmed its role as the primary player with a market share of 38.3%. Sales of three-wheelers in India in the first half amounted to 106,028 vehicles (from 95,045 vehicles in the first half of 2010), an increase of 11.6%, in line with the growth of the Indian three-wheeler market.

### Significant events after 30 June 2011

After the meeting of the Board of Directors on 13 July 2011 – which approved the issue of long-term debt securities for an overall nominal amount of 75 million US dollars – on 25 July Piaggio & C. S.p.A. closed a US Private Placement of Senior Unsecured Notes for 75 million US dollars, subscribed in full by an institutional investor, with final maturity after 10 years and a 6.50% coupon. The proceeds will be used to refinance Piaggio debt by improving its exposure profile, through an extension of average maturity and a further differentiation of its lender base.

### Outlook

In the second half of 2011, the Piaggio Group will continue to pursue its strategy to expand its industrial and commercial presence on the main Asian markets, strengthening its leadership on the Indian light commercial vehicle market and boosting market share in scooters in Asia Pacific.

The Piaggio Group will begin a decisive new phase of growth in Asia, which will bring an important expansion in its industrial and sales operations throughout the region, targeting revenues of approximately 1 billion euro on the Asian markets within four years.

Piaggio Group R&D will focus on the renewal of the product range – scooters, motorcycles and commercial vehicles – with special attention to development of fuel-efficient engines with low/zero environmental impact.

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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

In thousands of euro	Note	H1 2011		H1 2010	
		Total	of which related parties (Chapter E)	Total	of which related parties (Chapter E)
<b>Net sales</b>	4	<b>830,012</b>	<b>903</b>	<b>820,819</b>	<b>215</b>
Cost of materials	5	492,258	20,751	474,888	21,490
Cost of services and use of third-party assets	6	139,588	2,026	137,645	3,256
Employee expenses	7	133,293		132,451	0
Depreciation property, plant and equipment	8	18,306		18,721	0
Amortisation intangible assets	8	27,056		24,230	0
Other operating income	9	65,030	251	59,113	953
Other operating expense	10	9,586		17,420	26
<b>EBIT</b>		<b>74,955</b>		<b>74,577</b>	
Share of result of associates	11			0	0
Finance income	12	2,318		1,220	0
Finance expense	12	14,962	56	14,582	43
Net exchange-rate gains/(losses)	12	(488)		1,556	0
<b>Profit before tax</b>		<b>61,823</b>		<b>62,771</b>	
Income tax	13	28,500		<b>29,691</b>	
<b>Result from on-going operations</b>		<b>33,323</b>		<b>33,080</b>	
Discontinued operations:					
Profit or loss from discontinued operations	14			<b>0</b>	
<b>Net profit (loss) for the period</b>		<b>33,323</b>		<b>33,080</b>	
<b>Attributable to:</b>					
<b>Equity holders of the parent</b>		<b>33,289</b>		<b>33,033</b>	
<b>Minority interests</b>		<b>34</b>		<b>47</b>	
<b>Earnings per share (in €)</b>	15	<b>0.090</b>		<b>0.085</b>	
<b>Diluted earnings per share (in €)</b>	15	<b>0.089</b>		<b>0.085</b>	



## Consolidated Balance Sheet

In thousands of euro	Note	At 30 June 2011		At 31 December 2010	
		Total	of which related parties (Chapter E)	Total	of which related parties (Chapter E)
<b>ASSETS</b>					
<b>Non-current assets</b>					
Intangible assets	16	649,967		652,622	
Property, plant and equipment	17	251,765		256,759	
Investment property	18				
Equity investments	19	194		194	
Other financial assets	20	334		334	
Non-current tax receivables	21	968		967	
Deferred tax assets	22	44,721		46,294	
Trade receivables	23				
Other receivables	24	12,867	444	12,655	443
<b>Total non-current assets</b>		<b>960,816</b>		<b>969,825</b>	
<b>Assets held for sale</b>					
	28				
<b>Current assets</b>					
Trade receivables	23	185,310	2,312	90,421	2,210
Other receivables	24	20,249	5,860	23,300	5,983
Current tax receivables	21	31,390		44,200	
Inventories	25	257,614		240,066	
Other financial assets	26	22,449		23,051	
Cash and cash equivalents	27	128,965		154,859	
<b>Total current assets</b>		<b>645,977</b>		<b>575,897</b>	
<b>TOTAL ASSETS</b>		<b>1,606,793</b>		<b>1,545,722</b>	



In thousands of euro	Note	At 30 June 2011		At 31 December 2010	
		Total	of which related parties (Chapter E)	Total	of which related parties (Chapter E)
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>					
<b>Shareholders' equity</b>					
Share capital and reserves attributable to equity holders of parent	29	440,576		441,277	
Share capital and reserves attributable to minority interests	29	1,644		1,613	
<b>Total shareholders' equity</b>		<b>442,220</b>		<b>442,890</b>	
<b>Non-current liabilities</b>					
Borrowings due after one year	30	323,590	2,900	371,048	2,900
Trade payables	31	235		88	
Other non-current provisions	32	14,192		16,993	
Deferred tax liabilities	33	29,846		32,338	
Pension funds and employee benefits	34	55,113		58,636	
Non-current tax payables	35	2,501		3,361	
Other non-current payables	36	2,592		4,202	
<b>Total non-current liabilities</b>		<b>428,069</b>		<b>486,666</b>	
<b>Current liabilities</b>					
Borrowings due within one year	30	159,916		156,800	
Trade payables	31	444,856	21,490	352,627	12,857
Tax liabilities	35	36,414		19,290	
Other current liabilities	36	79,479	86	69,503	342
Current portion of other non-current provisions	32	15,839		17,946	
<b>Total current liabilities</b>		<b>736,504</b>		<b>616,166</b>	
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>1,606,793</b>		<b>1,545,722</b>	