

**PRESS RELEASE****PIAGGIO GROUP: FIRST NINE MONTHS 2011****Net sales € 1,200.2 million (€ 1,176.3 mln in first 9 months 2010)****EBITDA € 170.4 million (€ 172.3 mln in first 9 months 2010)****EBIT € 102.7 million (€ 108.1 mln in first 9 months 2010)****Net profit € 46.3 million (€ 46.7 mln in first 9 months 2010)****EBIT and EBITDA reflect impact of non-recurring restructuring costs for € 16 million****Net cash inflows for € 13 million, after capital expenditure in the period for € 87.1 million (+ € 31.2 million from first 9 months of 2010) for growth on emerging markets****Net debt € 330.1 million  
(down by € 19.8 mln from € 349.9 million at 31.12.2010)****512,200 vehicles shipped in the period (493,700 in first 9 months 2010)****Vietnam passes production threshold of 100,000 Vespa scooters**

*Milan, 27 October 2011* – At a meeting today chaired by Roberto Colaninno, the Board of Directors of Piaggio & C. S.p.A. examined and approved the quarterly report at 30 September 2011.

Piaggio's results for the first nine months of 2011 confirm the importance of the strategic decisions taken by the Group to globalise its industrial and commercial operations, by investing in the world's fastest-growing regions. The data for the first nine months of 2011 are in line with the year-earlier period, despite the crisis on the European two-wheeler market, the material impact of non-recurring restructuring expenses and a significant exchange-rate effect.

In the first nine months of 2011 the Piaggio Group shipped a worldwide total of **512,200 vehicles** – motorcycles, scooters and commercial vehicles – to report a 3.7% **increase in volumes** compared with 493,700 vehicles sold in the first nine months of 2010.

Group **consolidated net sales** also increased, reaching 1,200.2 million euro in the first nine months, a rise of 2% from 1,176.3 million euro in the year-earlier period. Net of the exchange-rate effect, the improvement was 4.5%.

**Consolidated EBITDA** for the first nine months of 2011 was 170.4 million euro, compared with 172.3 million euro in the year-earlier period. The **EBITDA margin** for the first nine months of 2011 was 14.2% (14.6% in the first nine months of 2010).

**EBIT** for the first nine months of 2011 was 102.7 million euro, against 108.1 million euro in the year-earlier period, after a higher depreciation and amortisation charge due to the increase in capital expenditure for growth on the emerging markets.

The first nine months of 2011 closed with a **consolidated net profit** of 46.3 million euro, compared with 46.7 million euro in the first nine months of 2010, after tax for the period of 39.6 million euro (46.1% of profit before tax).

Consolidated EBITDA, EBIT and net profit were therefore substantially in line with the results of the year-earlier period, despite the impact of non-recurring restructuring expense for approximately 16 million euro and the exchange-rate effect for an additional amount of approximately 9 million euro.

The **net financial position** at 30 September 2011 stood at -330.1 million euro, an improvement of 19.8 million euro from -349.9 million euro at 31 December 2010. The debt reduction arose from close control of

working capital, receivables and inventories, and from net cash inflows of 13 million euro, which also enabled the Group to fund a strong increase in capital expenditure (87.1 million euro in the first nine months of 2011, from 55.9 million euro in the year-earlier period) for new product development and enhanced industrial capability on the emerging markets.

**Shareholders' equity** at 30 September 2011 amounted to 451.9 million euro, compared with 442.9 million euro at 31 December 2010.

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Looking at **performance in the various geographical and business areas**, the Piaggio Group confirmed its position as **European leader in the scooter sector**, raising its **market share** to approximately 27.5%. The Group also reported a very healthy result in **motorcycles**, with shipments and turnover rising by 2.2% and 19.7% respectively compared with the first nine months of 2010, and an improvement in the large motorcycle segment thanks to the success of the latest Moto Guzzi models. The Group was operating under complex market conditions in Europe, especially in Italy. In the first nine months of the year, the two-wheeler market in the EMEA area slackened by 10.8% in scooters and 7.1% in motorcycles.

On the **American market**, which showed signs of a recovery in the first nine months of 2011, the Piaggio Group reported growth in shipments and turnover of, respectively, 91% (8,700 vehicles sold) and 61.3% (revenues of 30 million euro).

The Group performed particularly well on the **Asian market**, reporting strong growth from the year-earlier period, with shipments of 67,800 vehicles (+66% from the first nine months of 2010) and revenues of 121.7 million euro (+30.9% from the first nine months of 2010). Its results reflected the growing success of its operations in **Vietnam** – where marketing began of the Liberty scooter produced at the Vinh Phuc factory and the 100,000<sup>th</sup> Vespa production milestone was reached a few days ago – and its entry on to **important new markets** in South East Asia: **Indonesia, Thailand, Taiwan and Malaysia**.

In **commercial vehicles**, the Piaggio Group closed the first nine months of 2011 with a total of **179,400 vehicles** sold (+5.9% from the first nine months of 2010) and turnover of approximately 375.9 million euro, an improvement of 3.2% from the year-earlier period.

On the **Indian three-wheeler market**, Piaggio Vehicles Private Limited confirmed its role as the **primary player** with a market share of 37.4%. Shipments rose by 3%, from 142,100 vehicles in the first nine months of 2010 to 146,600 in the first nine months of 2011. On the Indian **four-wheeler** market, in the first nine months of 2011 Piaggio Vehicles raised its sales volumes compared with the year-earlier period, to 8,600 vehicles.

## Outlook

During 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 market for three- and four-wheel light commercial vehicles and boosting market share in scooters in Asia Pacific. As it expands its industrial and sales operations in Asia it will target revenues of approximately 1 billion euro on the Asian markets over a four-year period.

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.

**Consolidated Income Statement**

In thousands of euro	Note	First nine months 2011		First nine months 2010	
		Total	of which related parties (Chapter E)	Total	of which related parties (Chapter E)
<b>Net sales</b>	4	<b>1,200,162</b>	<b>1,560</b>	<b>1,176,301</b>	<b>758</b>
Cost of materials	5	717,736	32,269	682,769	33,035
Cost of services and use of third-party assets	6	193,988	2,966	202,726	4,122
Employee expenses	7	191,933		187,712	
Depreciation property, plant and equipment	8	26,231		27,048	
Amortisation intangible assets	8	41,519		37,140	
Other operating income	9	89,399	405	87,878	1,309
Other operating expense	10	15,497		18,639	32
<b>EBIT</b>		<b>102,657</b>		<b>108,145</b>	
Share of result of associates	11	3,382		11	
Finance income	12	3,470		1,927	3
Finance expense	12	23,075	180	21,399	104
Net exchange-rate gains/(losses)	12	(494)		(20)	
<b>Profit before tax</b>		<b>85,940</b>		<b>88,664</b>	
Income tax	13	<b>39,618</b>		<b>41,938</b>	
<b>Result from on-going operations</b>		<b>46,322</b>		<b>46,726</b>	
Discontinued operations:					
Profit or loss from discontinued operations	14				
<b>Net profit (loss) for the period</b>		<b>46,322</b>		<b>46,726</b>	
<b>Attributable to:</b>					
<b>Equity holders of the parent</b>		<b>46,291</b>		<b>46,720</b>	
<b>Minority interests</b>		<b>31</b>		<b>6</b>	
<b>Earnings per share (in €)</b>	15	<b>0.125</b>		<b>0.122</b>	
<b>Diluted earnings per share (in €)</b>	15	<b>0.124</b>		<b>0.121</b>	

**Consolidated Balance Sheet**

In thousands of euro	Note	At 30 September 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	648,516		652,622	
Property, plant and equipment	17	267,434		256,759	
Investment property	18				
Equity investments	19	3,394		194	
Other financial assets	20	334		334	
Non-current tax receivables	21	1,309		967	
Deferred tax assets	22	46,017		46,294	
Trade receivables	23				
Other receivables	24	14,381	444	12,655	443
<b>Total non-current assets</b>		<b>981,385</b>		<b>969,825</b>	
<b>Assets held for sale</b>	28				
<b>Current assets</b>					
Trade receivables	23	125,452	2,740	90,421	2,210
Other receivables	24	22,200	5,609	23,300	5,983
Current tax receivables	21	20,398		44,200	
Inventories	25	256,926		240,066	
Other financial assets	26	18,363		23,051	
Cash and cash equivalents	27	133,982		154,859	
<b>Total current assets</b>		<b>577,321</b>		<b>575,897</b>	
<b>TOTAL ASSETS</b>		<b>1,558,706</b>		<b>1,545,722</b>	

In thousands of euro	Note	At 30 September 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	450,673		441,277	
Share capital and reserves attributable to minority interests	29	1,248		1,613	
<b>Total shareholders' equity</b>		<b>451,921</b>		<b>442,890</b>	
<b>Non-current liabilities</b>					
Borrowings due after one year	30	318,392	2,900	371,048	2,900
Trade payables	31	545		88	
Other non-current provisions	32	13,729		16,993	
Deferred tax liabilities	33	33,595		32,338	
Pension funds and employee benefits	34	52,447		58,636	
Non-current tax payables	35	2,475		3,361	
Other non-current payables	36	2,857		4,202	
<b>Total non-current liabilities</b>		<b>424,040</b>		<b>486,666</b>	
<b>Current liabilities</b>					
Borrowings due within one year	30	164,085		156,800	
Trade payables	31	403,990	22,048	352,627	12,857
Tax liabilities	35	27,430		19,290	
Other current liabilities	36	71,915	363	69,503	342
Current portion of other non-current provisions	32	15,325		17,946	
<b>Total current liabilities</b>		<b>682,745</b>		<b>616,166</b>	
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>1,558,706</b>		<b>1,545,722</b>	