Good afternoon and welcome to everybody.

I remind you that our presentation is available on our website.

We can start from the first 2 slides of our presentation, that show Piaggio Group First Quarter 2009 Financial Statement.

Our consolidated P/L, for the 1st quarter 2009, shows a total level of revenues of 306,3 ML Euros, with a decrease of about 58 ML Euros, that means 15,8% less than previous year. Such a drop is mainly due to the decrease in the overall worldwide 2 wheels and Light Commercial Vehicles markets, with particular regards to the European market for both scooters (20% less compared to last year), motorcycle (27% less compared to last year) and Light Commercial Vehicles (13% less compared to last year). The difference in the exchange rates accounted for a negative 3,8 ML, so that the decrease in revenues would have been -14,8% at the same rates.

The Gross Margin was 87,8 ML Euros, with a slight but remarkable increase in terms of ratio to net sales, which grew to 28,7% in 2009 compared to 28,6% in 2008.

The Ebitda was 21,0 ML Euros, that means about 14 ML less than 2008 1st Quarter, with an Ebitda margin of 6,9% on net sales, from the 9,7% in 2008.

Notwithstanding the difficult market conditions, and the consequent net sales decrease, we maintained a positive EBIT result for 0,2 ML Euro, with a 13 ML Euro reduction from previous year.

The Net Income was negative for 4,7 ML Euros, against a positive 3,2 ML in the previous year.

The Debt level was 446 ML Euros, 135 ML higher than in the first Quarter of 2008, after the payment of 64 ML Euros of warrant cash repayment, 23 ML cash out for dividends and 27 ML buy-back of shares last year. Compared to December 2008, the net debt
was 87 ML higher: I wish to remind you that in the 1st Quarter the business seasonality causes the peak level in terms of financial exposure.

**Net Sales Trend**

Moving on to the next slide, we can look at the net sales trend by geographic area.

European sales (including Italy and Rest of Europe) decreased by almost 58 ML Euros, that means 21,6% over last year, to a level of about 210 ML Euros, while the cumulative Rest of the world sales (including Americas, India, Asia and Rest of the World) were 96 ML Euros, that means +0,3% over last year.

European sales decrease affected both Italy, with a 27,6% decrease versus last year, and the other European countries as a whole, with a 16,7% vs 2008. Going into details, Spain and UK were the countries which registered the highest decrease (ranging from 30 to 50%), while good and positive performance came from Germany (+12%) and France (+9%).

Americans sales were up to 21,2 ML, 7,3 ML more than previous year, that means +52,5%, including a 2,2 ML Euro increase coming from the exchange rate.

Indian sales accounted for 61,3 ML Euro, almost stable compared to previous year (not considering the exchange rate, the total India net sales would have been approximately 5,2 ML higher than 2008, that means +6,9%).

Rest of the World sales were 13,4 ML Euro (including the Asia Pacific area sales for 6,5 ML) with a cumulative decrease of 30% towards 2009.

As a consequence, extra European revenues contribution to total sales increased from 26% in the first quarter 2008 up to 31% in the first quarter 2009.

The next slide shows the net sales trend in terms of business segments and brands.
**Scooter** sales were about 141 ML Euro, with a 17% decrease, which means almost 29 ML less than previous year, with a contribution of 46% to the total revenues almost stable compared to last year. This performance has to be compared against a European total scooter market reduction of around 20%, partially compensated by a market share increase in the European area and by stable sales in the rest of the world. The average unit price, for scooters, increased by more than 7,5% over last year.

On the **Motorcycle** side, revenues went down to 36 ML Euros, with a 35% decrease from the 55 ML registered in 2008, against a European decrease of 27%. The contribution to total sales decreased to 11,8%, 3 p.p less than previous year. Aprilia and Guzzi motorbikes decreased by almost 6 ML each (positive performance are coming from the new 750 cc vehicles Dorsoduro and V7, with significant increases compared to last year) while Derbi bikes were down by almost 7 ML Euros, mainly affected by the negative Spanish country and market scenario, together with the poorest 2 wheels European market performance of low displacement motorcycles.

The **Light Commercial Vehicles** revenues (considering both European and Indian sales) reached about 88 ML Euros, almost stable compared to last year 90 ML, with a contribution by almost 29% to the total revenues, 4 p.p. more than last year. In particular, Indian sales have been almost flat compared to last year (in a market that decreased by 2,6% and including the above mentioned negative impact of exchange rate) while European sale were down by 1,2 ML Euro (against a market that went down by 13%).

The **Spare Parts** business accounted for 40 ML, with a 5 ML reduction vs 2008.

**Other Revenues** decreased by 3 ML Euros, mainly due to the decrease of vehicle sales to BMW.

In terms of brands, the brands mainly focused on the motorcycle business (Aprilia, Guzzi, and Derbi) were the ones that suffered the most. In addition, for Motoguzzi it has to be considered the restructuring phase that the Company is going through.
Finally, the change in the exchange rates year over year impacted by a negative 3,8 ML over total revenues, mainly due to the devaluation of Indian Rupee and Pound Sterling.

**Total Volumes Trend**

The next slide shows that the overall number of units sold decreased by 20% at 120K units.

In particular, scooters volume were 20K less than previous year down to about 68K units, with a stable mix of 50cc to over 50cc (the 50cc scooter displacement accounted for 46% of the total volumes).

The motorcycle units were 6,3 K less than previous year [of which 4k coming from Derbi] down to 9,4K units, with an average unit price increasing to 3.800 Euro per unit, that means a +9% over last year.

The 3 and 4 wheelers had a 8% decrease, down to about 42 K units, 3,6k units less than 2008; also in this business, we had an average unit price increase both in Europe (+18%) and in India (+5%).

**EBITDA Evolution**

Going to the next slide, we can see the Ebitda evolution which accounted a 14 ML decrease, down to 21 ML Euro from 35 ML Euro in 2008. This reduction was completely due to the gross margin reduction, partially offset by savings in operational expenses.

The Gross Margin reduction was 16,3 ML, entirely due to the decreased level of sales.

The slight upside in the Gross Margin to Net Sales ratio was obtained despite the production units decrease, thanks to higher purchasing efficiency (including a higher level of Sourcing from low-cost countries) and to a significant price increase in India.
Our efforts were also focused, during the Quarter, towards a strict control of the Group operational expenses, that were reduced for more than 3 ML Euro, that means -4% compared to last year, while amortizations were 1,2 ML lower than previous year (such a gap versus previous year will be filled in the coming quarters due to new products launches).

**Net Income**

The next slide shows the Net Income evolution, which accounted for the first Quarter for a negative 4,7 ML Euro, compared to the positive 3,2 ML registered in 2008.

The Ebit 12,9 ML decrease comes from what we have just analyzed (that is net sales reduction partially offset by operational expenses savings).

The Financial Expenses showed a slight increase, as a result of the combined impact coming from the higher level of the average debt and the decrease of interest rates.

At the tax level, we have to remark that the International Accounting Standard 34 states that the Interim Period Tax has to be calculated applying to the Interim EBT the same tax rate which is forecasted for the end of the year. As a matter of fact the Tax as at March 31, 2009 is a positive tax, amounting to 3,5 MLN/€, because of the application of 43% tax rate forecasted for 2009 to the Interim Loss Before Tax which amounts to 8,2 Mln/€. [The difference between the Tax rate 2008 (27%) and the Tax rate of the 1Q 2009 (43%) is mainly a consequence of the reversal of the Deferred Tax Asset accrued in 2008 relevant to Tax losses carried forward which will offset the forecasted EBT of Piaggio&C for 2009.]

**Balance sheet**

If we move to the next slide, we can have a look at the balance sheet, where we can see the increase in the Working Capital and the consequent increase in the net Financial Position.
In order to better understand the financial evolution in the 2009 1st Q, we can directly move to the next slide. The cash absorption in the 1Q was 87 ML, leading to a NFP level of 446,7 ML, and the main components of such evolution were:

1. The operating cash flow, which generated 15,4 ML Euros coming from the P/L, which we analyzed before (compared to the 21,9 ML of 2008)
2. The capital expenditures, that accounted for 20,0 ML: they were 3,4 ML higher than previous year, due to our ongoing internationalization projects (Vietnan and India);
3. The working capital increase by 84 ML. In particular, while the Receivables drivers were stable, in terms of DSO, the inventories turnover had just a slight increase versus previous year (about 5%), which can be considered a positive result coming from the governance of the complex supply chain, taking into account the market slow-down of the previous months.

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

Thank you for your kind attention.