Piaggio Group
First Nine Months of 2012 Financial Results

Conference Call
October 26th, 2012

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Preface – 2011 P&L restatement following amendment of IAS 19 left Piaggio Group results substantially unchanged

- In June 2012 the IASB endorsed its standard on accounting for employee benefits (*"TFR"*). As a result, actuarial gains and losses are recognised in the balance sheet immediately in the period in which they occur, with a charge or credit to other comprehensive income (OCI)
- Accordingly 2011 account has been restated as follow:

P&L

€m	9M 2011	9M 2011 Restated	Impact	FY 2011	FY 2011 Restated	Impact
Net Sales	**1,200.2**	**1,200.2**	**-**	**1,516.5**	**1,516.5**	**-**
EBITDA	**170.4**	**171.8**	**+1.4**	**200.6**	**199.8**	**-0.8**
Depreciation	(67.8)	(67.8)	-	(95.0)	(95.0)	-
EBIT	**102.7**	**104.0**	**+1.4**	**105.5**	**104.8**	**-0.8**
Financial Expenses	(29.4)	(29.4)	-	(26.2)	(26.2)	-
Income before tax	**85.9**	**87.3**	**+1.4**	**79.3**	**78.6**	**-0.8**
Tax	(39.6)	(40.2)	-0.6	(32.3)	(32.3)	-
Net Income	**46.3**	**47.1**	**+0.7**	**47.0**	**46.3**	**-0.8**

Highlights (1/3)
Nine months results

Demand weakness in all key reference markets on the back of widespread deteriorated economic environment

- Western Markets dragged down by Mediterranean countries with Italy slumping at all time low
- Asia Pacific faltering after several years of robust growth with Vietnam and Indonesia down double digits
- Indian 2 Wheel market trend shifted to negative, with scooters still growing but at a sluggish pace
- Indian Commercial Vehicles slowly recovering to 2011 level

In this deteriorated scenario, Piaggio leverages on its increasing exposure to Emerging Markets and on its premium positioning…

Western Countries: effective management in a market environment that is more severe than expected
- Sixth consecutive quarter of market share gain in European scooters, while maintaining pricing discipline
- Strong volume and revenue growth in North America, outperforming market recovery
- Ongoing double-digit revenue increase of Moto Guzzi, confirming the successful re-launch of the brand
- % Gross Margin resilience despite sales decrease proving operating cost flexibility

Asia Pacific: strong growth despite temporary market decline
- Volume and revenue double digit growth
- Average prices holding up and Gross Margin ratio increasing, despite expansion of product range and geographical presence

India: Commercial Vehicles bottoming out; 2 Wheels still in an embryonic stage of development
- Commercial Vehicles sales gradually improving notwithstanding prolonged drop of some Piaggio's key regional markets and import duties hikes in Sri Lanka
- Rigorous pricing discipline maintained despite an increasingly competitive market
- Vespa run rate fell short of expectations, but Group's prompt commercial reaction is already paying off

Highlights (2/3)
Nine months results

… as well as on cost optimization to hold up profitability

Despite decrease in Net Sales…

- Net Sales down by 7.3%
- Slight decline in 2 Wheels
  - Strong performance of Asia Pacific growing by 20% and North America growing by 67%
  - Weak performance of Europe affected by steep decline of Mediterranean countries
- Double digit decline in Commercial Vehicles, but encouraging quarterly trend in 3 Wheel Passenger India

… significant cost efficiencies shore up EBITDA, EBIT …

- EBITDA and EBIT margin sustained by Gross Margin resilience (30.3%, -0.3 pp vs. prior year) and significant OpEx reduction
- Higher financial expenses due to increased cost of funding and Net Financial Position after strong investment plan
- Tax rate down benefitting from increased Vietnam contribution to EBT

… and Net Income ratios

Significant reduction of Net Debt gap vs. prior year despite CapEx increase (+23%) to sustain growth opportunities in emerging markets and strengthen our industrial footprint

Preserved Group's **robust debt profile** with the average life of debt of more than 3 years and **ample liquidity backup**

Highlights (3/3)
Recent and short term developments

Entering Q4 reaping the initial benefits of several actions that will drive growth and profitability going forward

India

Extension and further strengthening of Group's offer through:

- Launch of Apé City petrol to enter the small Pax segment, which represents half of the Indian 3 Wheel passenger market
- Launch of new 4 Wheels in the sub 0.5 Ton segment equipped with a 510cc diesel engine, to improve the product offer in the compact small vehicle segment
- Introduction of the new in-house 1,000cc diesel engine to effectively play in the 4 Wheel 1 Ton cargo segment

Asia Pacific

- Introduction of the Vespa equipped with the low consumption 3 valve engine made in Vietnam, to further enhance Piaggio's high-end product offering

Western Countries

- Recent launch of X10 500cc and of the new Fly 125cc will further strengthen Group's positioning in the scooter market
- Launch of the brand new California 1,400cc, following the successful introduction of the new V7 model, will add another milestone in the strategic evolution of the Moto Guzzi Brand

Despite lower net sales, resilience of key financial ratios driven by strong focus on productivity. Partial recovery of NFP vs. H1 despite important CapEx program to foster international expansion

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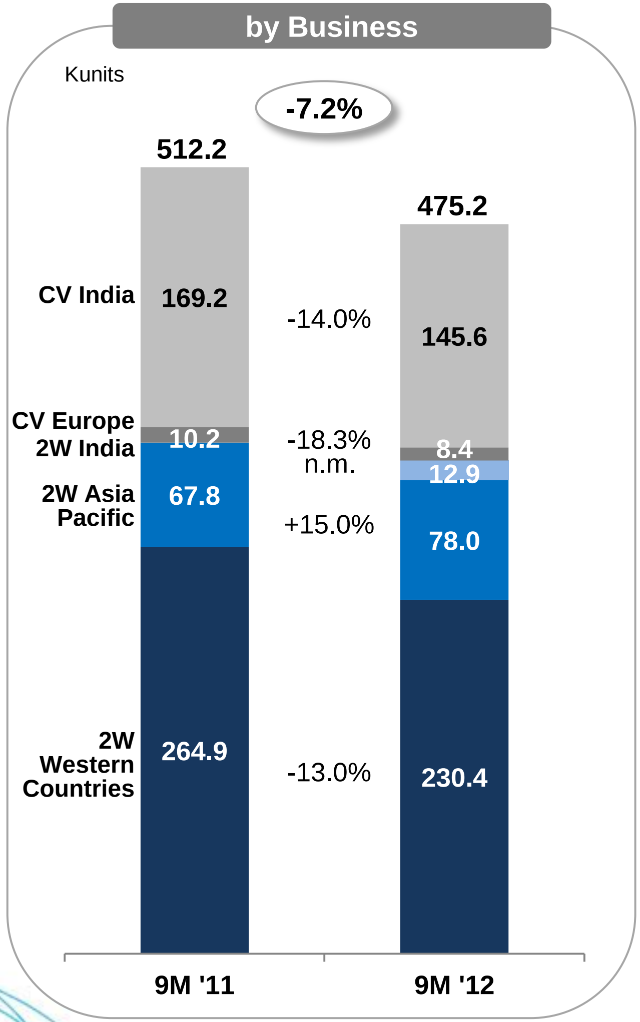
€m	9M 2011	9M 2012	Change 2012 vs. 2011		
			Absolute	%	% excl. FX
Net Sales	**1,200.2**	**1,112.3**	**(87.9)**	**-7.3%**	**-7.3%**
Gross Margin	**367.6**	**337.3**	**(30.3)**	**-8.2%**	**-8.1%**
% on Net Sales	*30.6%*	*30.3%*	*-0.3%*		
EBITDA	**171.8**	**156.0**	**(15.7)**	**-9.2%**	**-8.0%**
% on Net Sales	*14.3%*	*14.0%*	*-0.3%*		
Depreciation	(67.8)	(60.3)	7.5	-11.1%	
EBIT	**104.0**	**95.8**	**(8.2)**	**-7.9%**	**-6.4%**
% on Net Sales	*8.7%*	*8.6%*	*-0.1%*		
Financial Expenses	(16.7)	(24.2)	(7.5)	+44.8%	
Income before tax	**87.3**	**71.6**	**(15.7)**	**-18.0%**	
Tax	(40.2)	(27.2)	13.0	-32.4%	
Net Income	**47.1**	**44.4**	**(2.7)**	**-5.7%**	
% on Net Sales	*3.9%*	*4.0%*	*+0.1%*		

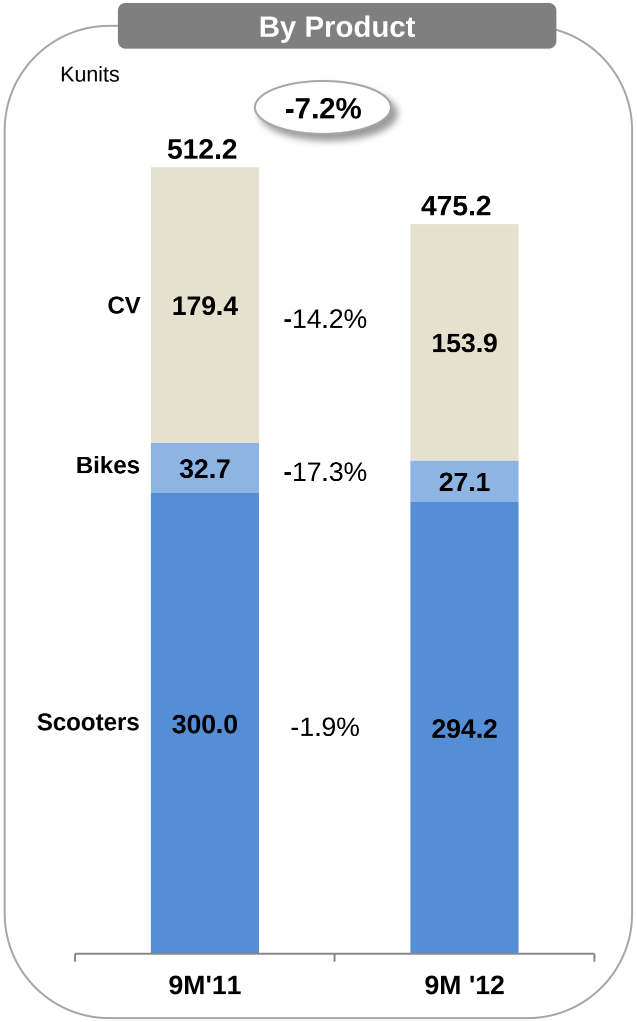
NFP

€m	9M 2011	9M 2012	Change 2012 vs. 2011	
			Absolute	%
Net Financial Position	**(330.1)**	**(365.3)**	**(35.2)**	**+10.6**

Volumes decline driven by CV India and Western Countries while Asia Pacific holds up against deteriorated market conditions; bikes more penalized than scooter for unfavorable country mix

Volume evolution (Kunits)

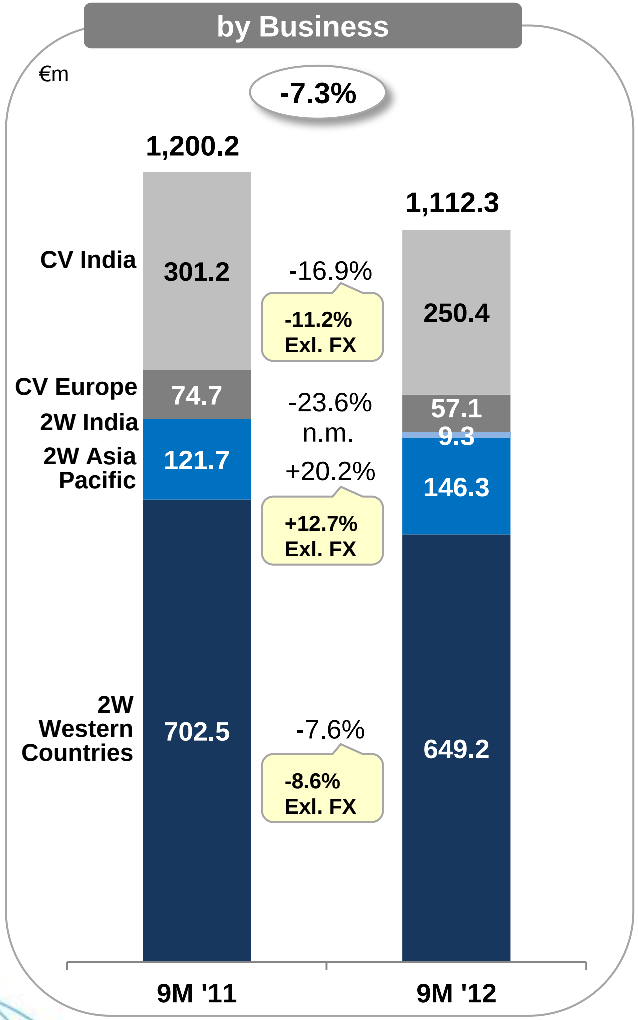


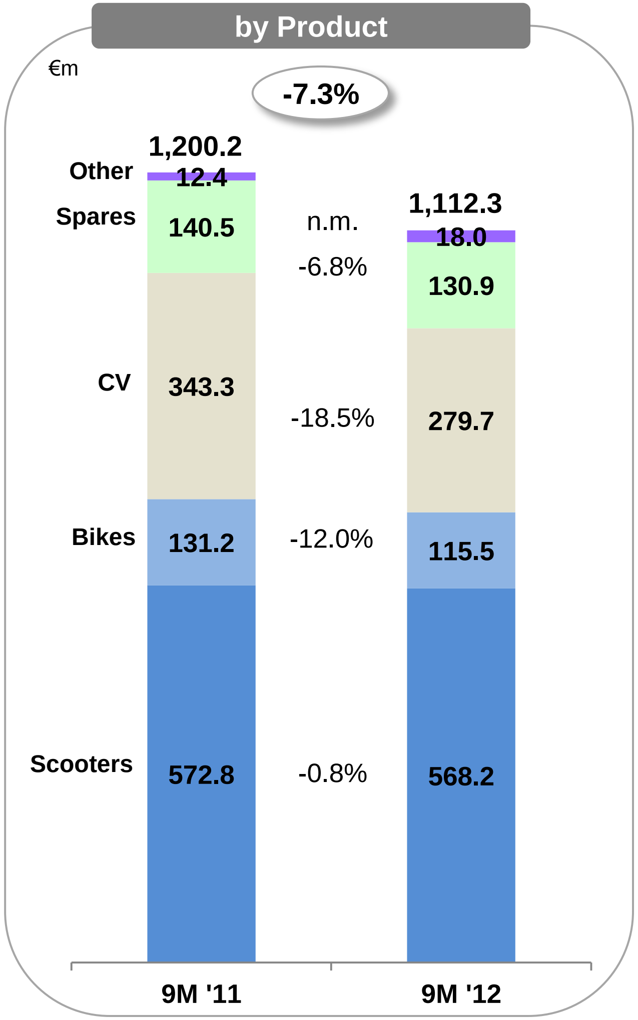


2W: 2 Wheels CV : Commercial Vehicles

Net Sales decline mitigated by resilient mix in 2W Western Countries (-7.6% revenues vs. -13.0% volumes) and by growth in 2 Wheel Asia; Scooters supported by mix shift to high displacement segments and Bikes by double digit growth of Moto Guzzi

Net Sales evolution (€m)

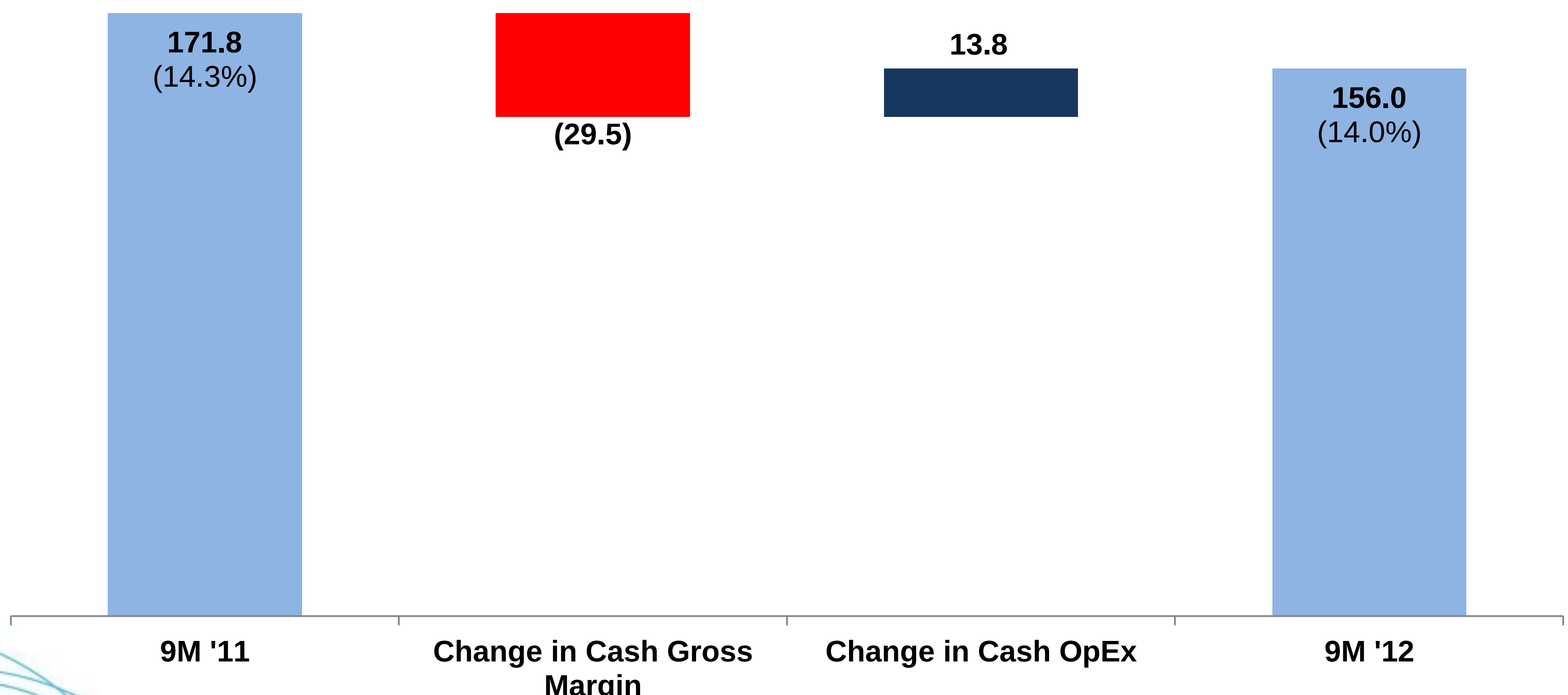




2W: 2 Wheels CV : Commercial Vehicles

Strong grip on fixed costs ensures stable EBITDA margin even after ~2€m of negative FX effect

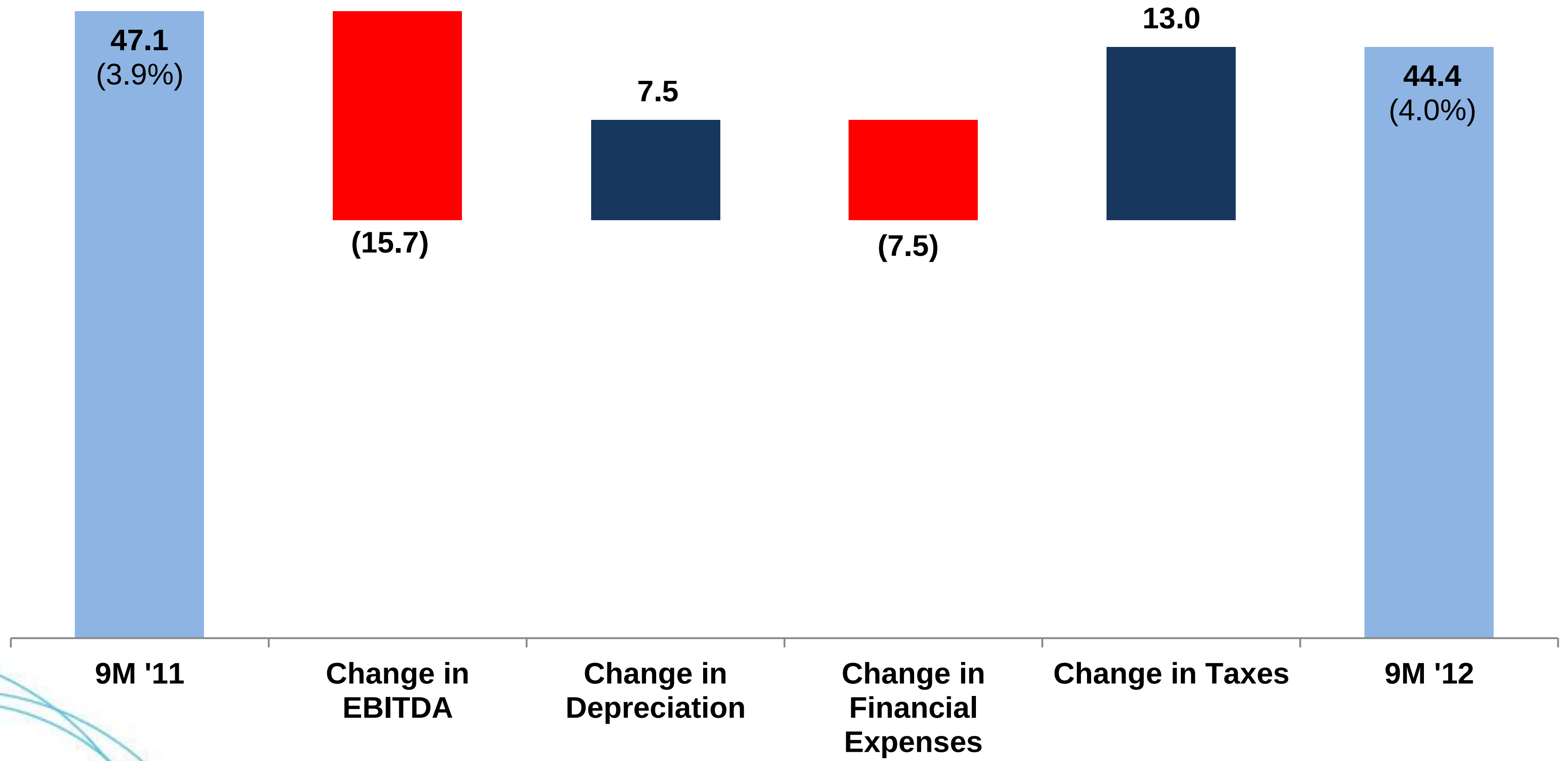
EBITDA evolution (€m)



Streamlined structures and heightened productivity are leading to lower break even point

Tax rate reduction and lower depreciation allow to increase Net Profit ratio

Net Income evolution (€m)

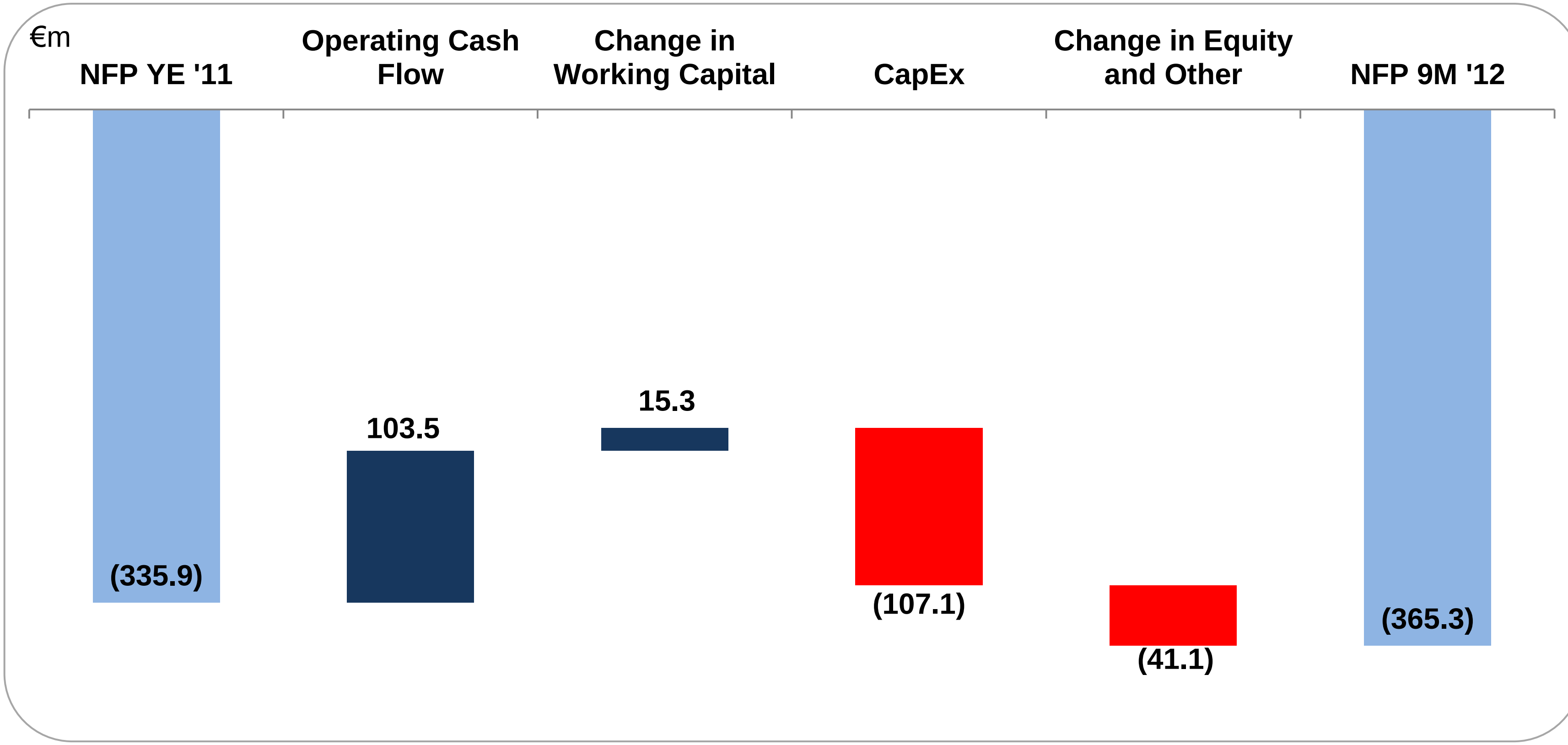


Partial recovery of NFP vs. prior quarters stemming from healthy Operating Cash Flow and containment of Working Capital, more than offsetting strong CapEx increase (1/2)

Balance Sheet evolution (€m)

	2010	Sept. 2011	*Chg. '11 vs '10*	2011	Sept. 2012	*Chg. '12 vs '11*
Trade Receivable	78.0	123.6	*45.6*	61.7	96.8	*35.0*
Inventories	240.1	256.9	*16.9*	237.0	253.6	*16.6*
Commercial Payable	(340.3)	(402.7)	*(62.4)*	(371.7)	(444.8)	*(73.1)*
Other assets/liabilities	31.1	(0.4)	*(31.4)*	33.0	39.1	*6.1*
Working Capital	**8.8**	**(22.5)**	***(31.4)***	**(39.9)**	**(55.2)**	***(15.3)***
Tangible Fixed Assets	256.8	267.4	*10.7*	274.9	311.5	*36.6*
Intangible Fixed Assets	652.6	648.5	*(4.1)*	649.4	656.0	*6.6*
Financial Investments	0.5	3.7	*3.2*	2.6	6.7	*4.1*
Provisions	(125.9)	(115.1)	*10.8*	(104.9)	(103.7)	*1.2*
Net Invested Capital	**792.8**	**782.1**	***(10.8)***	**782.1**	**815.3**	***33.2***
Net Debt	**349.9**	**330.1**	***(19.8)***	**335.9**	**365.3**	***29.4***
Equity	**442.9**	**451.9**	***9.0***	**446.2**	**450.0**	***3.8***
Total Sources	**792.8**	**782.1**	***(10.8)***	**782.1**	**815.3**	***33.2***
Net debt/Equity	**0.79**	**0.73**		**0.75**	**0.81**	

Partial recovery of NFP vs prior quarters stemming from healthy Operating Cash Flow and containment of Working Capital, more than offsetting strong CapEx increase (2/2)



9M ‘11

€m

NFP YE ‘10					NFP 9M ‘11
(349.9)	104.0	31.4	(87.1)	(28.5)	(330.1)

Returning value to shareholders through dividends and share buy back

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