PRESS RELEASE

PIAGGIO GROUP: FIRST QUARTER 2015

Consolidated net sales 302 million euro (276.8 €/mln in Q1 2014)

Ebitda 36.3 million euro (32.5 €/mln in Q1 2014)
Ebitda margin 12% (11.7% in Q1 2014)

Industrial gross margin 88.1 million euro (83.2 €/mln in Q1 2014)

Ebit 10.8 million euro (11.7 €/mln in Q1 2014)

Net profit 1.2 million euro (1.1 €/mln in Q1 2014)

Net financial position -568.4 million euro
(-492.8 €/mln at 31 December 2014)

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Revenue growth on all business lines (two-wheelers, commercial vehicles, spare parts and accessories) and in all the main regions (EMEA, India, Asia Pacific).

Performance improvements, in the scooter sector, for the Vespa brand and the Piaggio Mp3 three-wheel scooter. In motorcycles, higher sales volumes for Aprilia and Moto Guzzi.

Mantua, 8 May 2015 – At a meeting today in Mantua chaired by Roberto Colaninno, the Board of Directors of Piaggio & C. S.p.A. examined and approved the quarterly report at 31 March 2015.

The Piaggio Group reported positive performance in the first quarter of the year, and a general improvement on the main profitability indicators.

Piaggio Group business and financial performance in the quarter to 31 March 2015

Group **consolidated net sales** in the first quarter of 2015 totalled **302 million euro**, an improvement of more than 9% from 276.8 million euro in the year-earlier period.

The **industrial gross margin** for the first quarter was 88.1 million euro, with an increase in absolute terms of approximately 5 million euro (83.2 million euro in the year-earlier period). The figure includes amortisation and depreciation expense of 9.9 million euro (8.6 million euro in the year-earlier period). The net sales margin was 29.2% (30.1% in the first quarter of 2014).

Operating expense in the first quarter of 2015 amounted to 77.3 million euro (71.5 million euro in the year-earlier period). It comprised amortisation and depreciation not included in the industrial gross margin, for 15.6 million euro (12.1 million euro in the year-earlier period).

The progress in the income statement described above generated **consolidated Ebitda** of 36.3 million euro, up from 32.5 million euro in the first quarter of 2014. The **Ebitda margin** was 12% (up from 11.7% in the year-earlier period), a result assisted by significant cost efficiencies during the first quarter.

Ebit in the first quarter to 31 March 2015 was 10.8 million euro (11.7 million euro in the first quarter of 2014). The **Ebit margin** was 3.6% (4.2% in the first quarter to 31 March 2014).

The Piaggio Group closed the first quarter of 2015 with **profit before tax** of 2 million euro, up from 1.8 million euro in the year-earlier period. Income tax for the period was 0.8 million euro (0.7 million euro in the year-earlier period), with an impact on pre-tax profit of 40%.

The first quarter of 2015 closed with a **net profit of 1.2 million euro**, a small increase from 1.1 million euro in the first quarter to 31 March 2014.

Net financial debt at 31 March 2015 was 568.4 million euro, compared with 492.8 million euro at 31 December 2014. The increase of 75.6 million euro from the end of last year was largely due to the typical seasonal nature of the two-wheeler business, which absorbs financial resources in the first half of the year and generates resources in the second half. In addition to this effect, the first quarter of 2015 saw an increase of 5.0 million euro in capital expenditure from the year-earlier period, in connection with the important new-product launch program. First-quarter **operating cash flow** amounted to 28.4 million euro, an improvement of 11 million euro from 17.4 million euro in the year-earlier period.

Shareholders' equity at 31 March 2015 was 423.4 million euro, up by 10.3 million euro from 413.1 million euro at 31 December 2014.

Piaggio Group **capital expenditure** in the first quarter of 2015 was **21.3 million euro** (16.3 million euro in the year-earlier period), of which 14.3 million euro for **R&D spending** (10.1 million euro in the year-earlier period) and approximately 7 million euro on property, plant and equipment and intangible assets (6.2 million euro in the first quarter of 2014).

The Piaggio Group **workforce** consisted of 7,782 employees, an increase of 148 from 7,634 at 31 March 2014. The Group had about 3,750 employees in Italy, unchanged from last year.

Business performance in the first quarter to 31 March 2015

In the first quarter of 2015, the **Piaggio Group shipped 121,000 vehicles worldwide** (123,900 in the first quarter of 2014). In revenue terms, the slight decrease in sales volumes was offset by a shift in the product mix towards premium products with higher value per unit.

In the **two-wheeler sector,** the Group shipped 74,200 vehicles (76,500 in the first quarter of 2014), for net sales of 204.1 million euro (+4.3% from 195.7 million euro in the year-earlier period). This includes spare parts and accessories, which generated revenue of 29 million euro, an improvement of 13.5% from the first quarter of 2014.

All the main **geographical areas** where the Piaggio Group operates in the **two-wheeler sector** reported **net sales growth**, assisted by a no longer adverse exchange-rate effect, a feature of the entire first half of 2014. Revenue amounted to 139.8 million euro in the EMEA area (+2.2% from the year-earlier period), 43.7 million euro in Asia Pacific (+17.1%) and 5.7 million euro in India (+43.2%).

In the **scooter** segment, the **Vespa brand** performed well, with revenue growth of 14.1% compared with the first quarter of 2014. Growth was also reported for the **Piaggio Mp3**: revenue for the Group three-wheel scooter range rose by 12.7% in the first quarter of 2015 from the year-earlier period.

In **motorcycles,** growth was reported for the **Aprilia** brand (approximately 3,450 shipments in the first of 2015, an increase of 3.4% from the year-earlier period) and for the **Moto Guzzi** brand with approximately 2,200 shipments and an increase of 6.1%. Beginning in the second quarter of 2015, both brands will benefit from the launch of important new products: the **Aprilia RSV4** and the **Tuono 1100** and, for the Moto Guzzi brand, the **Audace** and the **Eldorado** 1400cc.

In the **Commercial Vehicles sector, 46,800 vehicles** were shipped (47,500 in the year-earlier period) for **net sales of 97.9 million euro,** an increase of 20.8% from 81.1 million euro in the year-earlier period. This includes spare parts and accessories, where revenue totalled 9.3 million euro (+13.3% from 8.3 million euro at 31 March 2014).

In the **EMEA and Americas** areas, the Piaggio Group reported net sales of 19.6 million euro, an improvement of 30.6%. In **India,** the net sales of **Piaggio Vehicles Private Limited** (PVPL) were 78.4 million euro (+18.6% on 66.1 million euro in the first quarter of 2014). Three-wheeler **exports** from the PVPL production facility generated revenue of 6.5 million euro, in line with the year-earlier period. In **India**, the world reference market for three-wheel vehicles, Piaggio strengthened its position as market leader in the Cargo segment with a market share of 54.1% (49.7% in the first quarter of 2014); it also maintained a significant share (25.9%) of the Passenger segment and a 32.2% share of the Indian three-wheeler market as a whole.

Share buyback program

At the meeting, in connection with the authorisation for the acquisition and sale of own shares approved by the Piaggio AGM on 13 April 2015, the Board of Directors approved a share buyback program under the market practices allowed by Consob pursuant to art. 180, paragraph 1, head c), of the consolidated law on financial intermediation (TUF) with resolution no. 16839 of 19 March 2009 and EC Regulation no. 2273/2003 of 22 December 2003.

Specifically the purpose of the buyback program is to form a “stock inventory” to service the implementation of possible future investment transactions through the exchange, transfer, sale or other act of disposal of own shares, including their use as pledges to guarantee company borrowings.

Share purchase transactions under this program will be conducted in compliance with the procedures and limits set out in the aforementioned shareholder resolution, specifically:

- the purchase may be for a maximum of 15,000,000 Piaggio ordinary shares without express par value and, therefore, within the legal limits (20% of the share capital pursuant to art. 2357, paragraph 3, Italian Civil Code), taking into account that as of today the company does not hold any own shares;
- share buybacks shall take place within the limits of distributable earnings and available reserves as reflected in the most recent financial statements (including interim financial statements) approved at the time of implementation of the transaction;
- share buybacks shall be conducted in compliance with the operating conditions established by the Consob pursuant to art. 180, paragraph 1, head c), of the TUF with resolution no. 16839 of 19 March 2009, and EC Regulation no. 2273/2003 of 22 December 2003 where applicable, and specifically for a consideration that shall not be higher than the greater of the price of the most recent independent transaction and the price of the highest independent offer on the trading markets where the buyback is made, without prejudice to the condition that the per-share consideration shall not in any case be more than 20% below or 10% above the mean official Piaggio share price in the ten trading days before each single purchase transaction;
- buybacks shall be conducted in compliance with art. 144-*bis*, paragraph 1, head b) of Consob Regulation 11971/1999 (and subsequent amendments) and with applicable regulations, in order to ensure equality of treatment of shareholders as envisaged by art. 132 of the TUF, and therefore on regulated markets, in accordance with the operating procedures laid down by the regulations for the organisation and management of the markets in question, which do not allow purchase offers to be directly matched with predetermined offers for sale;
- the buyback program may be implemented, in one or more tranches, through 13 October 2016.

As of today, the company does not hold any own shares.

Significant events in the first quarter of 2015

On 5 March 2015, the Piaggio Group presented the Aprilia 2015 motor-racing season. Aprilia has returned to the top world motorcycling championship, MotoGP, a year earlier than originally announced; it also confirmed its participation in the World Superbike Championship, where it is reigning World Champion, and made its debut in the World Superstock Championship with the new Aprilia RSV4 RF.

On 9 March 2015, Piaggio Vehicles Private Ltd. (PVPL) announced the launch of the new commercial vehicle, the Ape Xtra Dlx.

On 31 March 2015, Piaggio & C. S.p.A. signed an access agreement with ING Bank NV for 30 million euro on the five-year 220 million euro line of credit arranged with a pool of banks in July 2014. The amount in question became available at the beginning of April 2015, and the syndicated facility therefore reached the maximum envisaged amount of 250 million euro.

Events after 31 March 2015

On 13 April, the Piaggio & C. S.p.A. AGM elected the members of the Board of Directors: Roberto Colaninno, Matteo Colaninno, Michele Colaninno, Giuseppe Tesauro, Graziano Gianmichele Visentin, Maria Chiara Carrozza, Federica Savasi, Vito Varvaro and Andrea Formica. The shareholders also appointed the Board of Statutory Auditors, and approved the distribution of a dividend of 0.072 euro per ordinary share and the cancellation of 2,466,500 own shares in portfolio.
On the same date, after the shareholders' meeting, the Board of Directors made the following appointments: Chairman and CEO Roberto Colaninno, Deputy Chairman Matteo Colaninno.

On 15 April 2015, the new Aprilia RSV4 RF and RR and the Aprilia Tuono 1100 Factory and RR motorcycles were launched.

On 21 April 2015, the Piaggio Vietnam factory in Vinh Phuc completed its 500,000th scooter since operations began. The scooter – a Vespa Sprint 125 – marks a new milestone in Piaggio Group operations on the markets in South East Asian.

On 23 April 2015, the new composition of Piaggio & C. S.p.A. share capital (fully subscribed and paid in) was registered with the Companies Register, after the cancellation of 2,466,500 own shares without change to share capital, as approved by the extraordinary shareholders' meeting on 13 April 2015. The share capital now stands at 207,613,944.37 euro, represented by 361,208,380 ordinary shares.

Outlook

In a general economic context likely to see a strengthening of the global economic upturn, where uncertainty will nonetheless remain with regard to the speed of European growth and the risk of a slowdown in some emerging countries, Piaggio Group commercial and industrial operations will focus on:

- confirming the Group leadership position on the European two-wheeler market, taking full advantage of the expected recovery through:
  - a further strengthening of the product range to grow motorcycle sales and margins with the renewed Moto Guzzi and Aprilia lines;
  - entry on to the e-bike market, leveraging the Group’s leadership in technology and design;
  - maintenance of current positions on the European commercial vehicle market;

- continued growth in the Asia Pacific region, by exploring new opportunities in mid-range/large motorcycles and replicating the premium strategy in Vietnam throughout the region. In 2015 the Group will also consolidate direct sales operations in China, in part through the opening of new sales outlets, with the aim of penetrating the premium segment of the two-wheeler market;

- strengthening sales on the Indian scooter market by extending the offer of Vespa products and introducing new models in the premium scooter and motorcycle segments;

- growing commercial vehicle sales in India and the emerging countries, aiming for further growth in exports to Africa and South America.

From a technology viewpoint, the Piaggio Group will continue development of technologies and platforms that focus on the functional and emotional aspects of its vehicles, through continuous development in power trains, wider use of digital platforms connecting user and vehicle, and trials of new product and service configurations.

At a more general level, the Group maintains its constant commitment – a characteristic of recent years and continuing in 2015 – to generate higher productivity through close attention to cost and investment efficiency, in line with its ethical principles.

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Conference call with analysts

The presentation of the financial results for the first quarter to 31 March 2015, to be illustrated during a conference call with financial analysts, is available on the company corporate website at www.piaggiogroup.com/it/investor and at the "1Info" authorised storage mechanism on the website www.1info.it.

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The manager in charge of preparing the company accounts and documents, Alessandra Simonotto, certifies, pursuant to paragraph 2 of 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.

This press release may contain forward-looking statements relating to future events and Piaggio Group business and financial results. By their nature, these statements are subject to inherent risks and uncertainties, since they relate to events and depend on circumstances that may or may not occur or exist in the future. Actual results may differ materially from those expressed in such statements as a result of a variety of factors.

In line with the recommendations of CESR Communication 05-178b, attention is drawn to the fact that this press release contains a number of indicators that, though not yet contemplated by the IFRS ("Non-GAAP Measures"), are based on financial measures envisaged by the IFRS. These indicators – presented in order to assist assessment of the Group's business performance – should not be considered as alternatives to those envisaged by the IFRS and are consistent with those in the Piaggio Group 2014 Annual Report and quarterly and half-year reports. Furthermore, since determination of such indicators is not specifically regulated by the IFRS, the methods used may not coincide with those adopted by other companies/groups, and consequently the indicators in question may not be comparable. Specifically, the most important alternative performance indicators used, representing the data monitored by Piaggio Group management, are:

- Ebitda: earnings (Ebit) before amortisation and depreciation and impairment losses on property, plant and equipment and intangible assets, as reflected in the income statement;

- Industrial gross margin: net sales less costs to sell;

- Net financial position: gross financial debt less cash and cash equivalents, and other current financial receivables. Determination of the net financial position does not include other financial assets and liabilities arising from measurement at fair value of derivatives designated or not as hedges, fair value adjustments of the related hedged items and related accruals.

The Piaggio Group consolidated income statement, consolidated statement of financial position and consolidated statement of cash flows as at and for the year to 31 March 2015 are set out below. In compliance with Consob Communication no. 9081707 of 16 September 2009, it should be noted that these statements and the alternative performance indicators ("Non-GAAP Measures") have not been audited by the independent auditors.

For more information:
Piaggio Group Press Office
Via Broletto, 13
20121 Milan – Italy
+39 02 02.319612.16/19
press@piaggio.com
www.piaggiogroup.com

PIAGGIO GROUP

Consolidated Income Statement

	Q1 2015		Q1 2014	
	Total	*of which related parties*	Total	*of which related parties*
In thousands of euro				
Net Sales	**302,004**	**102**	**276,786**	**17**
Cost of materials	175,988	7,833	160,088	5,979
Cost of services and use of third-party assets	55,246	997	48,778	902
Employee expenses	55,331		52,638	
Depreciation and impairment property, plant and equipment	11,608		10,239	
Amortisation and impairment intangible assets	13,884		10,495	
Other operating income	25,153	32	21,168	2,297
Other operating expense	4,272	3	3,987	8
EBIT	**10,828**		**11,729**	
Share of result of associates				
Finance income	145		130	
Finance expense	9,402	54	9,969	51
Net exchange-rate gains/(losses)	380		(94)	
Profit before tax	**1,951**		**1,796**	
Income tax expense	780		719	
Profit from continuing operations	**1,171**		**1,077**	
Discontinued operations:				
Profit or loss from discontinued operations				
Profit for the period	**1,171**		**1,077**	
Attributable to:				
Equity holders of the parent	**1,189**		**1,083**	
Minority interests	**(18)**		**(6)**	
Earnings per share (in €)	**0.003**		**0.003**	
Diluted earnings per share (in €)	**0.003**		**0.003**	

PIAGGIO GROUP

Consolidated Statement of Financial Position

	At 31 March 2015		At 31 December 2014	
	Total	*of which related parties*	Total	*of which related parties*
In thousands of euro				
ASSETS				
Non-current assets				
Intangible assets	674,144		668,354	
Property, plant and equipment	316,792		307,561	
Investment property	11,961		11,961	
Equity investments	8,818		8,818	
Other financial assets	28,251		19,112	
Non-current tax receivables	4,286		3,230	
Deferred tax assets	47,970		46,434	
Trade receivables	114			
Other receivables	14,591	197	13,647	197
Total non-current assets	**1,106,927**		**1,079,117**	
Assets held for sale				
Current assets				
Trade receivables	117,854	921	74,220	856
Other receivables	45,016	9,496	36,749	9,440
Current tax receivables	37,271		35,918	
Inventories	267,789		232,398	
Other financial assets				
Cash and cash equivalents	96,846		98,206	
Total current assets	**564,776**		**477,491**	
TOTAL ASSETS	**1,671,703**		**1,556,608**	

	At 31 March 2015		At 31 December 2014	
	Total	*of which related parties*	Total	*of which related parties*
In thousands of euro				
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
Share capital and reserves attributable to equity holders of parent	422,426		412,147	
Share capital and reserves attributable to minority interests	932		922	
Total shareholders' equity	**423,358**		**413,069**	
Non-current liabilities				
Borrowings due after one year	553,994	2,900	506,463	2,900
Trade payables				
Other non-current provisions	10,575		10,394	
Deferred tax liabilities	5,900		5,123	
Pension funds and employee benefits	56,979		55,741	
Non-current tax payables				
Other non-current payables	5,208		3,645	
Total non-current liabilities	**632,656**		**581,366**	
Current liabilities				
Borrowings due within one year	139,270		102,474	
Trade payables	407,288	14,670	386,288	15,580
Tax liabilities	7,070		14,445	
Other current liabilities	51,928	8,518	49,148	8,397
Current portion of other non-current provisions	10,133		9,818	
Total current liabilities	**615,689**		**562,173**	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**1,671,703**		**1,556,608**	

PIAGGIO GROUP

Consolidated Statement of Cash Flows

	Q1 2015		Q1 2014	
	Total	of which related parties	Total	of which related parties
In thousands of euro				
Operating activities				
Consolidated net profit (loss)	1,189		1,083	
Earnings attributable to non-controlling interests	(18)		(6)	
Tax for the period	780		719	
Depreciation property, plant and equipment	11,608		10,239	
Amortisation intangible assets	13,884		10,495	
Allowances for risks, retirement funds and employee benefits	4,200		3,904	
Writedowns / (Revaluations)	121		180	
Losses / (Gains) on sale of property, plant and equipment	6		19	
Losses / (Gains) on sale of intangible assets	0		0	
Finance income	(103)		(106)	
Dividend income	0		0	
Finance expense	9,038		8,627	
Income from public grants	(505)		(320)	
Share of results of associates	0		0	
Change in working capital:				
(Increase)/Decrease in trade receivables	(43,627)	(65)	(43,973)	(9)
(Increase)/Decrease in other receivables	(9,211)	(56)	(2,468)	(3,968)
(Increase)/Decrease in inventories	(35,391)		(22,860)	
Increase /(Decrease) in trade payables	21,000	(910)	14,787	1,207
Increase /(Decrease) in other payables	4,343	121	(163)	1,619
Increase /(Decrease) in provisions for risks	(2,344)		(7,275)	
Increase /(Decrease) in retirement funds and employee benefits	(662)		(930)	
Other changes	(13,606)		(11,490)	
Cash generated by operating activities	**(39,298)**		**(39,538)**	
Interest paid	(7,868)		(7,052)	
Tax paid	(5,139)		(2,279)	
Cash flow from operating activities (A)	**(52,305)**		**(48,869)**	
Investing activities				
Investment in property, plant and equipment	(5,615)		(5,497)	
Sale price or redemption value of property, plant and equipment	12		247	
Investment in intangible assets	(15,718)		(10,820)	
Sale price or redemption value of intangible assets	0		34	
Sale price of financial assets	0		838	
Interest collected	61		99	
Cash flow from investing activities (B)	**(21,260)**		**(15,099)**	
Financing activities				
Exercise of stock options	0		91	
Loans received	74,292		89,493	
Outflow for loan repayments	(14,028)		(13,342)	
Finance leases received	0		263	
Repayment of finance leases	(8)		(240)	
Cash flow from financing activities (C)	**60,256**		**76,265**	
Increase / (Decrease) in cash and cash equivalents (A+B+C)	(13,309)		12,297	
Opening balance	**90,125**		**52,816**	
Exchange differences	5,931		538	
Closing balance	**82,747**		**65,651**	