Piaggio Group
First Nine Months of 2013 Financial Results

Conference Call
November 11th, 2013

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Highlights (1/2)
Nine months results

Once again facing difficult trading conditions with weak market demand affecting all Piaggio's key reference areas

- Western Markets shrinking, with Europe ~55% below 2007 and North America taking a downward turn in Scooters
- Asia Pacific faltering, in particular Vietnam and Thailand
- Indian 2 Wheels slightly growing, sustained by Scooters up double digits
- Indian 3 Wheels shifting to negative, with downward trend accelerating in Q3; sub 1 ton 4 Wheels shrinking by ~20%

Once more Piaggio leverages premium products, rigorous price discipline and efficiency gain initiatives…

Western Countries: impacted by the effects of the longest and deepest ever market contraction

- European Scooter market share in line with prior year, confirming Piaggio undisputed leadership
- Positive price effect sustained by continuing shift towards high-end segments; Vespa and Guzzi outstripping market trend
- North America robust sales momentum continues, despite unsupportive market demand
- % Gross Margin increase, against double digit volume decline, proving operating cost flexibility

Asia Pacific: slow down in a subdued and highly competitive market

- Vietnam negative performance linked to dealer stock reduction and stronger competition; new Vespa Primavera should revert the trend
- Indonesia back on a growing path; ongoing positive performance in Thailand, Taiwan and Philippines
- Average regional prices holding up well and % Gross Margin at record levels, despite increased competitive intensity

India: volume increase partially offset by forex negative effect

- Market share gain in Commercial Vehicles, sustained by the recent product launches overridden by market decline
- Export growth accelerated throughout the year; the opportunity to play a stronger role clearly emerges
- Positive price effect excluding negative forex stemming from rigorous pricing discipline
- Vespa run rate falls short of our expectations; we are stepping up efforts to increase sales

Highlights (2/2)
Nine months results

… to protect profitability

Despite 14.1% decrease in Net Sales…

- European sales dragged down by Mediterranean countries with Italy and France worst performers. Northern Europe still negative YTD, but showing improving trend with Germany and Benelux ending up with a positive Q3. North America revenues holding up well
- Asia Pacific with strong growth in Indonesia, Thailand and Taiwan unable to counterbalance Vietnam subdued performance and FX negative effect
- Commercial Vehicles India in line with PY at constant forex. Moderate positive contribution stemming from Vespa sales

… improved product mix and significant cost efficiencies sustain EBITDA, EBIT and Net Result ratios

- Premium price positioning and product cost efficiencies more than offset volume decrease driving Gross Margin ratio increase (30.4% vs. 30.3% in 2012)
- Ongoing strong OpEx reduction (~ 22 €m vs. 2012), even after ~ 9 €m of restructuring costs to support European industrial footprint rationalization
- Slightly higher financial expenses driven by higher debt level more than offsetting lower cost of funding

CapEx contained at 61 €m (vs. 107€m prior year), now in line with historical levels after completion of strong investment cycle in 2011 and 2012

Net Debt increase mainly reflecting working capital cash absorption, but preserved **Group's robust debt profile** with average life of debt around 2.3 years and available back up credit lines providing comfortable liquidity cushion

Despite lower net sales, resilience of key financial ratios thanks to strong efficiency improvements; Net Debt increase mainly reflecting working capital absorption

P&L (€m)

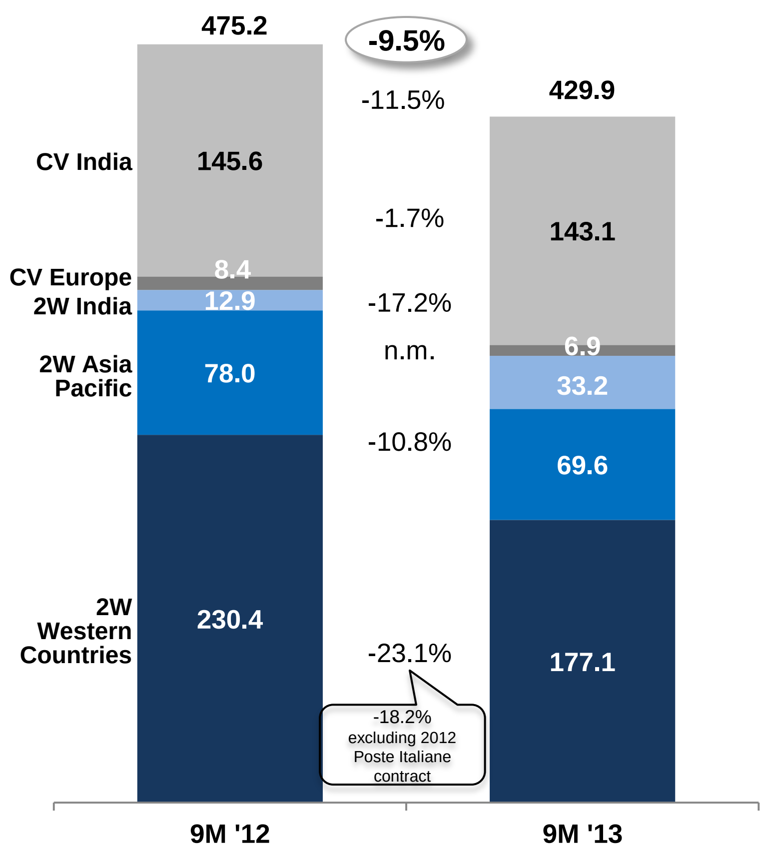
	9M 2012	9M 2013	Change 2013 vs. 2012		
			Absolute	%	% excl. FX
Net Sales	**1,112.3**	**955.0**	**(157.3)**	**-14.1%**	**-11.1%**
Gross Margin	**337.3**	**290.6**	**(46.7)**	**-13.9%**	**-10.8%**
% on Net Sales	*30.3%*	*30.4%*	*0.1%*		
EBITDA	**156.0**	**133.7**	**(22.3)**	**-14.3%**	**-10.1%**
% on Net Sales	*14.0%*	*14.0%*	*0.0%*		
Depreciation	(60.3)	(62.4)	(2.1)	+3.5%	
EBIT	**95.8**	**71.4**	**(24.4)**	**-25.5%**	**-20.2%**
% on Net Sales	*8.6%*	*7.5%*	*-1.1%*		
Financial Expenses	(24.2)	(25.1)	(0.9)	+3.7%	
Income before tax	**71.6**	**46.3**	**(25.3)**	**-35.4%**	
Tax	(27.2)	(18.5)	8.7	-32.0%	
Net Income	**44.4**	**27.8**	**(16.6)**	**-37.5%**	
% on Net Sales	*4.0%*	*2.9%*	*-1.1%*		

NFP (€m)

	9M 2012	9M 2013	Change 2013 vs. 2012	
			Absolute	%
Net Financial Position	**(365.3)**	**(454.6)**	**(89.3)**	**+24.4%**

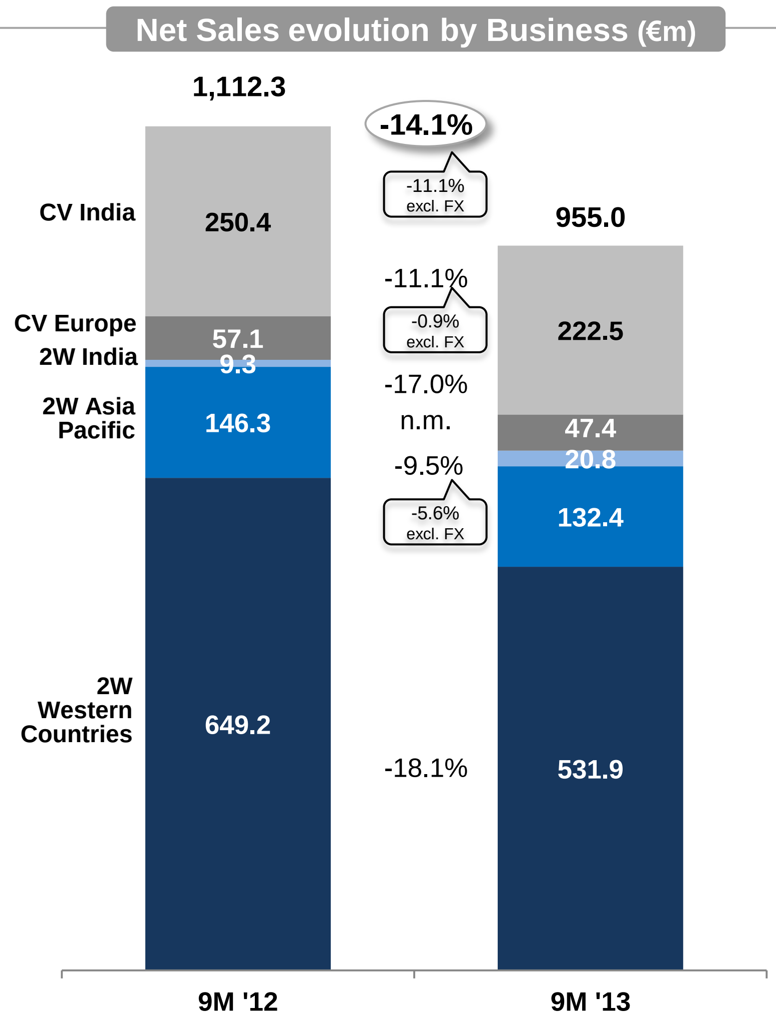
Volume decline reflecting market weakness across all key reference areas; comparison vs. 2012 further penalized by Poste Italiane contract

Volume evolution by Business (kunits)



2W: 2 Wheels CV : Commercial Vehicles

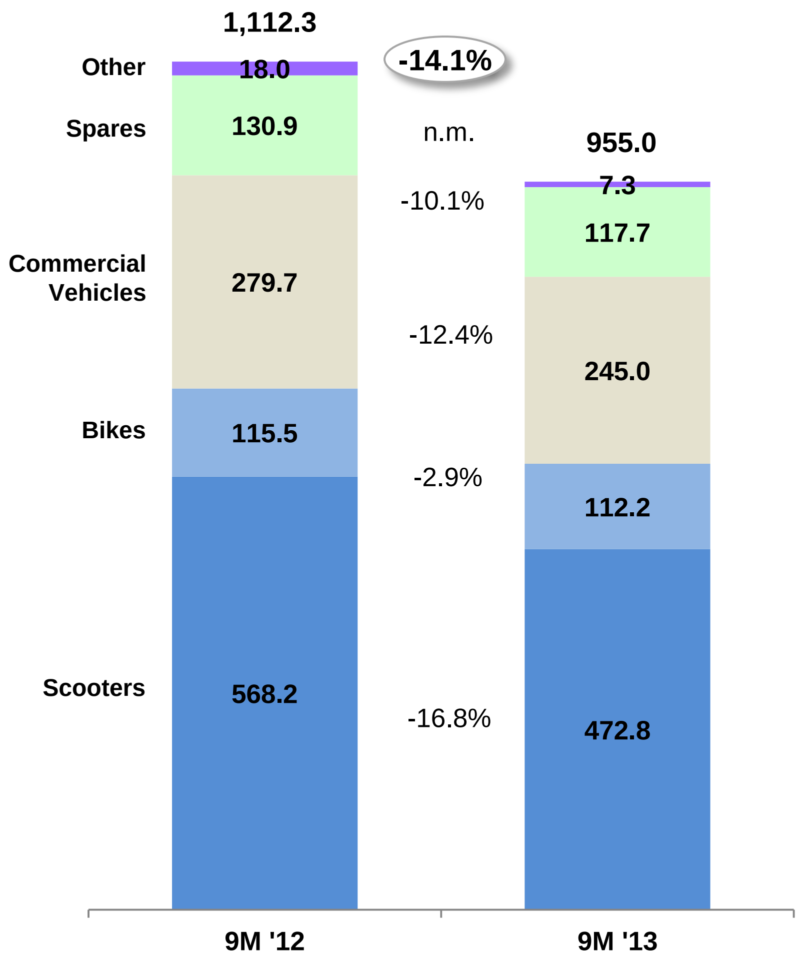
Net Sales decline driven by volume and forex negative effect, whilst average price holds up above PY across all geographies



2W: 2 Wheels CV : Commercial Vehicles

Scooters product mix shift to high end segments mitigates volume negative effect; noteworthy Vespa shows robust growth in all geographies. Resilient performance in Bikes sustained by Moto Guzzi growing ~20%

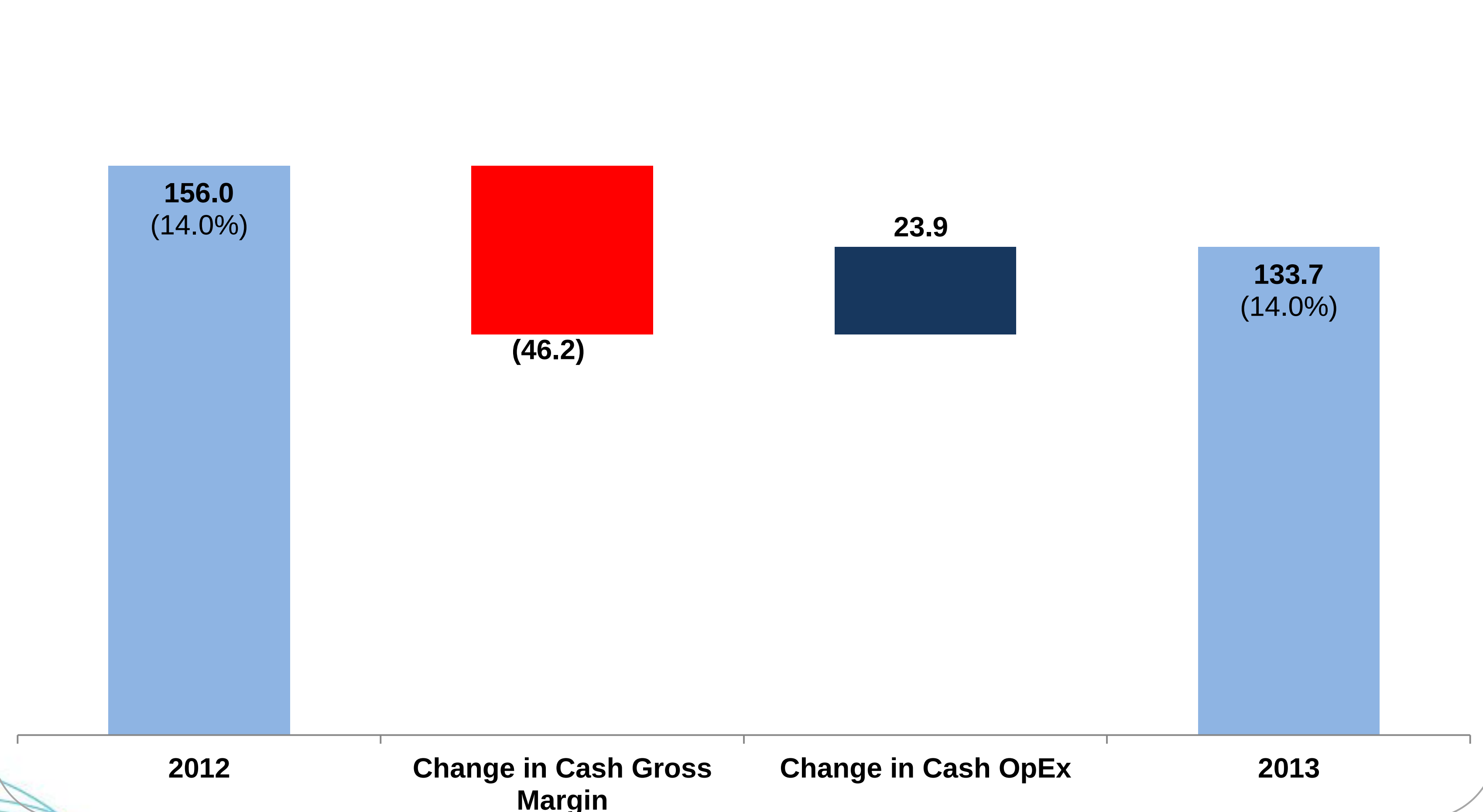
Net Sales evolution by Product (€m)



Ongoing upscale positioning drives progress in future-proofing our revenue

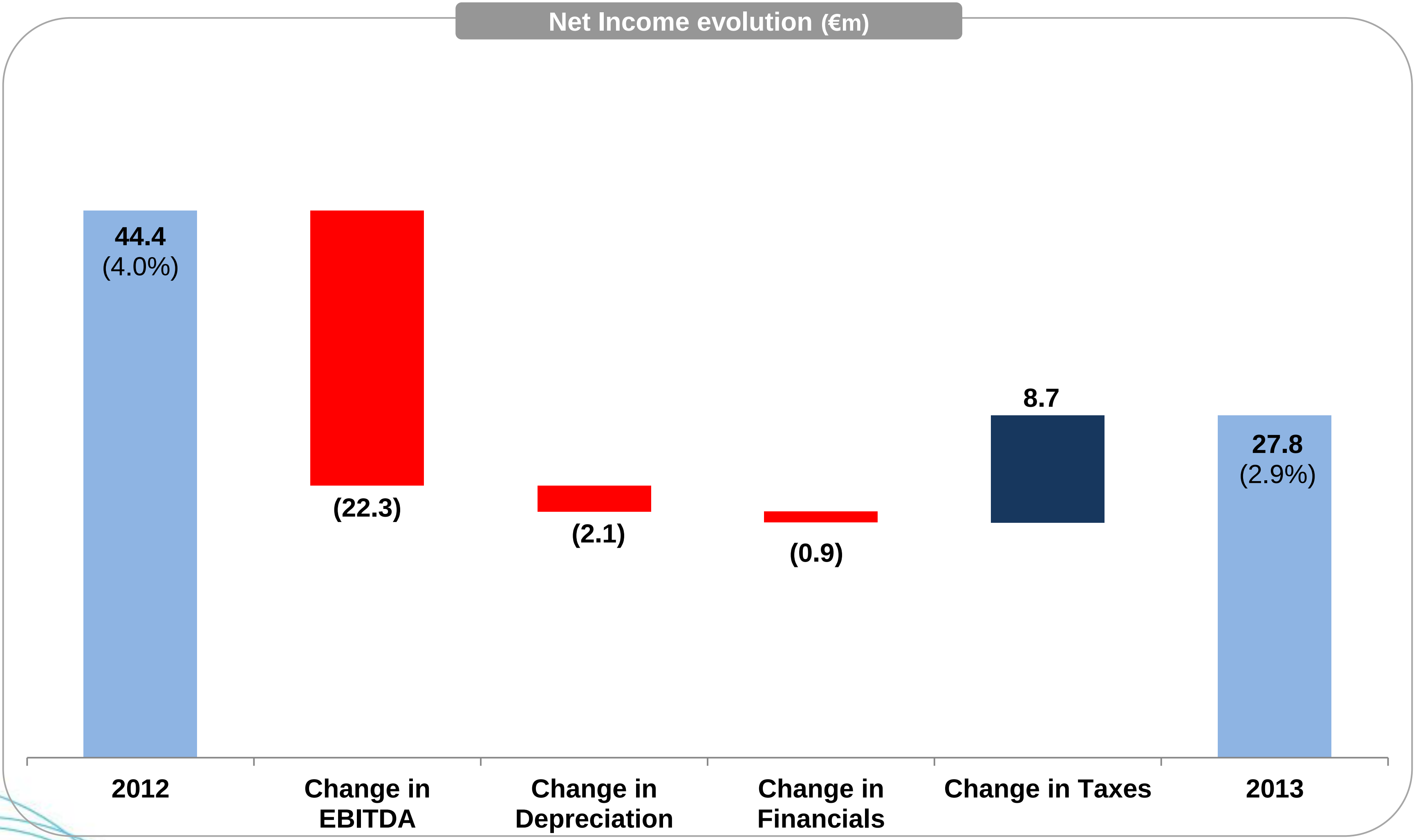
Efficiency gain and strong containment of fixed costs, even after strong restructuring plan, keep EBITDA margin at PY level and …

EBITDA evolution (€m)



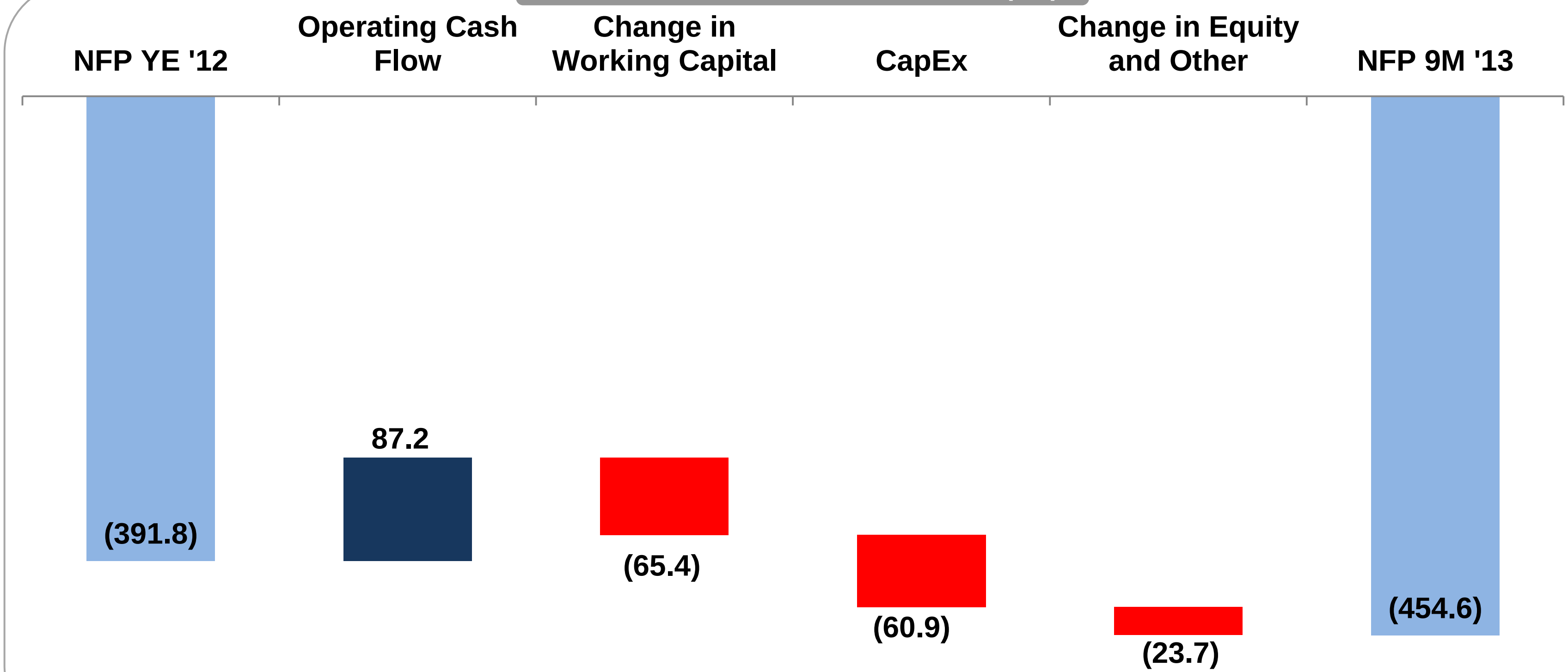
Benefitting from the ongoing drive towards cost reduction

…mitigate Net Income ratio decline



Lower Operating Cash Flow and absorption of Working Capital lead to NFP increase (1/2)

Net Financial Position evolution (€m)



9M 2012

€m

NFP YE '11					NFP 9M '12
(335.9)	106.6	12.1	(107.1)	(41.1)	(365.3)

Returning value to shareholders through dividends

Lower Operating Cash Flow and absorption of Working Capital lead to NFP increase (2/2)

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Balance sheet evolution (€m)

	2011	Sept. 2012	*Chg. '12 vs YE '11*	2012	Sept. 2013	*Chg. '13 vs YE '12*
Trade Receivable (*)	61.7	96.8	*35.1*	59.3	89.0	*29.7*
Inventories	237	253.6	*16.6*	221.1	234.6	*13.5*
Commercial Payable (**)	(376.7)	(444.8)	*-68.1*	(389.4)	(379.8)	*9.6*
Other assets/liabilities (**)	5.3	9.6	*4.3*	27.9	40.5	*12.6*
Working Capital	**(72.7)**	**(84.8)**	***-12.1***	**(81.1)**	**(15.7)**	***65.4***
Tangible Fixed Assets	274.9	311.5	*36.6*	321.0	308.8	*-12.2*
Intangible Fixed Assets	649.4	656.0	*6.6*	661.0	653.3	*-7.7*
Financial Investments	2.6	6.7	*4.1*	6.7	8.4	*1.7*
Provisions	(72.2)	(74.1)	*-1.9*	(75.9)	(72.9)	*3.0*
Net Invested Capital	**782.1**	**815.3**	***33.2***	**831.7**	**881.8**	***50.1***
Net Debt	**335.9**	**365.3**	***29.4***	**391.8**	**454.6**	***62.8***
Equity	**446.2**	**450.0**	***3.8***	**439.9**	**427.2**	***-12.7***
Total Sources	**782.1**	**815.3**	***33.2***	**831.7**	**881.8**	***50.1***
Net debt/Equity	**0.75**	**0.81**		**0.89**	**1.06**	

(*) Net of advances from customers (**) In order to provide the reader of this Presentation with better comparison of the information included in the Working Capital, certain items have been restated from "Other assets/liabilities" to "Commercial Payables" for FY 2011 and H1 2012. The restatement has no impact on Working Capital results.

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