



Piaggio Group

Full Year 2011 Financial Results

Conference Call
February 23rd, 2012

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2011 Full Year results confirm Piaggio's strategy is consistent with global market dynamics

- Emerging markets continuing to grow at a double digit rate
 - Vietnam scooter market +31% vs. prior year
 - India 2 wheel scooter market +22%, 3 wheels +5% and 4 wheels +29%
- Western markets stable or decreasing, especially Italy and Spain

Piaggio's position in the market is very strong...

Western Countries: resilient performance in a challenging scenario

- Third consecutive year of market share gain in European scooters (up to 27.6%, + 0.9 pp vs. 2010) confirming Piaggio's leadership
- Growth of volumes and net sales in Northern European Countries and North America
- Southern Europe affected by a tough market environment; recent contract with "Poste Italiane" will sustain 2012 European sales and production volumes
- Double-digit revenue increase in Bikes with Moto Guzzi growing at more than 40%

India: solid performance even versus an outstanding 2010 despite slower underlying market growth

- Growth in 3W Cargo segment and stable performance in 3W Passenger; entry in the small Pax segment with the launch of Apé City petrol in July will sustain revenue growth in 2012
- Double-digit growth in 4W Sub 0.5 Ton segment; opportunity to play a stronger role in Sub 1 Ton segment to be pursued
- Launch of Vespa in April 2012 as planned entering a 2.4m unit market expected to grow at a double-digit rate in the medium term

Asia Pacific: strong momentum continues

- Market share increase in the growing Vietnamese market generating strong revenue growth
- Reaping the initial benefits of geographical expansion: Indonesia ~14K units sold since August 2011
- Fifth consecutive year of % Gross Margin increase despite enlargement of product range and geographical presence

... leading to Net sales increase

- Net sales up 2.1%, 5.2% at constant exchange rates
- Increase sustained by emerging markets with Asia Pacific growing by 40.7% (55.1% excluding FX effect) and India by 1.6% (8.8% excluding FX effect)
- Robust performance of Northern European Countries growing by 8% despite the difficult market environment

Improvement of EBITDA and tax rate more than offset significantly higher depreciation ...

- EBITDA growing by 1.7% despite ~17 €m of one-off restructuring costs and ~13 €m of negative currency effect
- Tax rate, no longer affected by expiration of deferred tax assets on losses in Italy and benefitting from increased Vietnam contribution to EBT, down by 8 pp

... leading to a Net Income increase of around 10%

Net Debt reduction for the fourth consecutive year

- Further improvement of Net Financial Position (-14€m) stemming from...
 - Healthy operating cash flow generation
 - Strict control on working capital

...more than offsetting strong CapEx increase (+31% vs. prior year) to sustain growth opportunities in emerging markets

Debt profile further strengthened thanks to successful refinancing of bank facilities expiring in December 2012...

- \$75m USPP bond expiring in 2021
- €130m syndicated RCF expiring end of 2015

...leading to an extension of the average life of debt to more than 3 years and reinforcing the Group's comfortable liquidity cushion

Increase in all the key financial figures despite significant one-off restructuring costs and higher depreciation



P&L

€m

	2010	2011	Change 2011 vs. 2010		
			Absolute	%	% excl. FX
Net Sales	1,485.4	1,516.5	31.1	+2.1%	+5.2%
Gross Margin	462.3	454.6	-7.7	-1.7%	+2.2%
<i>% on Net Sales</i>	31.1%	30.0%	-1.1%		
EBITDA	197.1	200.6	3.4	+1.7%	+8.4%
<i>% on Net Sales</i>	13.3%	13.2%	-0.1%		
Depreciation	(86.0)	(95.0)	-9.0	+10.5%	
EBIT	111.1	105.5	-5.6	-5.0%	+5.1%
<i>% on Net Sales</i>	7.5%	7.0%	-0.5%		
Financial Expenses	(27.3)	(26.2)	1.1	-3.9%	
Income before Tax	83.8	79.3	-4.5	-5.4%	
Tax	(41.0)	(32.3)	8.7	-21.2%	
Net Income	42.8	47.0	4.2	+9.8%	
<i>% on Net Sales</i>	2.9%	3.1%	+0.2%		

NFP

€m

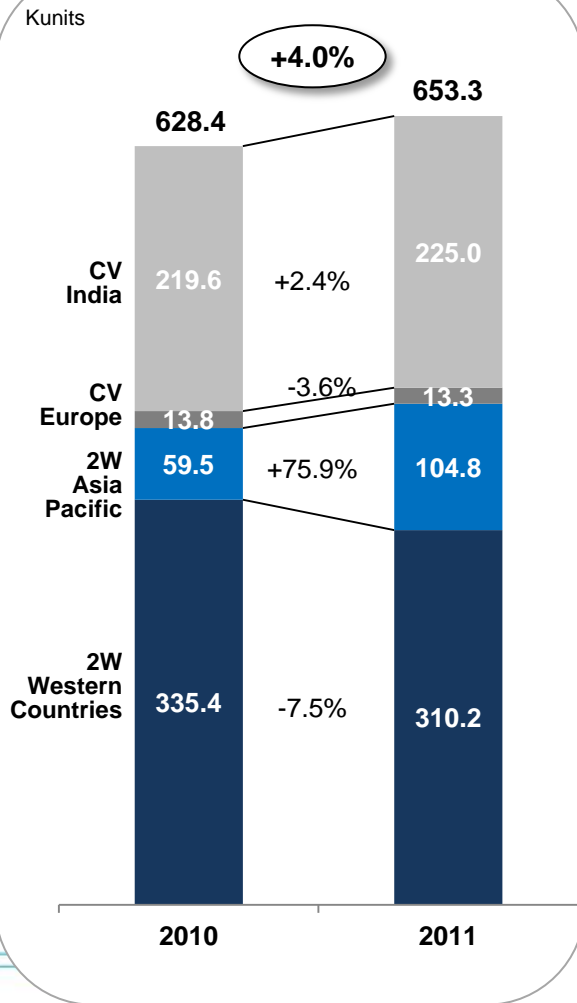
	2010	2011	Change 2011 vs. 2010	
			Absolute	%
Net Financial Position	(349.9)	(335.9)	+14.0	-4.0%

Significant further improvement at constant exchange rates

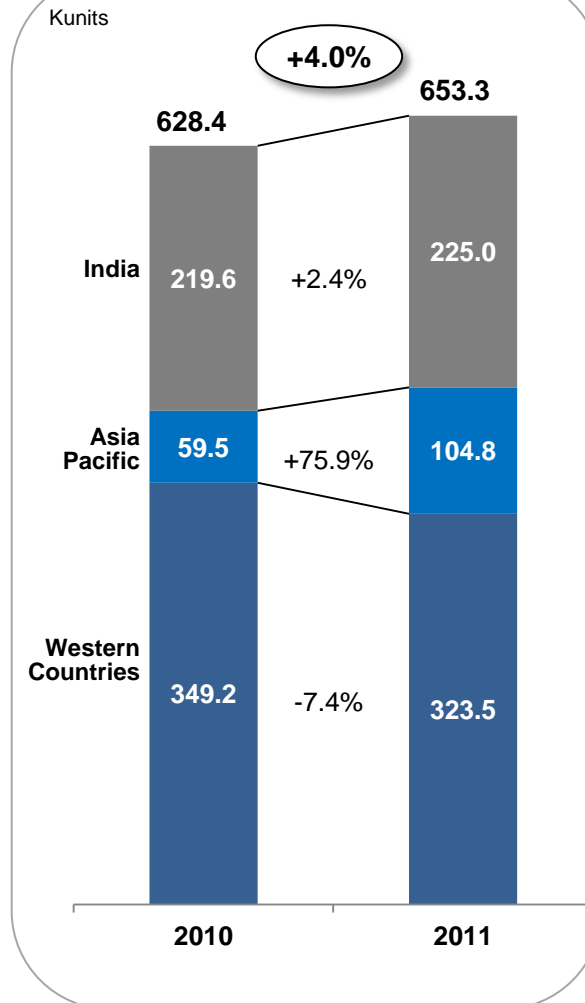
Total volume increase driven by Emerging Markets with Asia Pacific accelerating thanks to strong organic growth in Vietnam and positive results in Indonesia



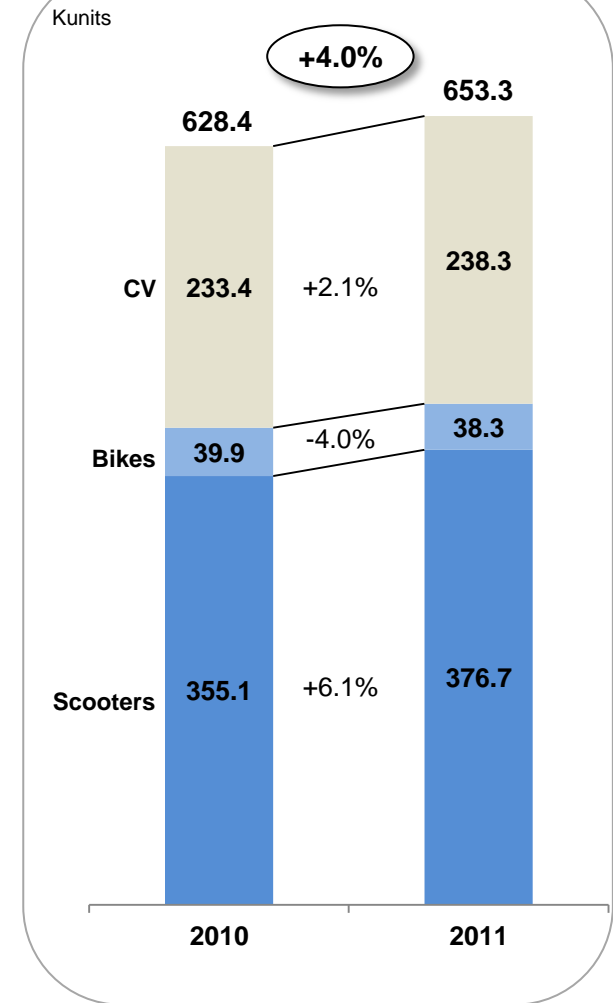
by Cash Generating Unit



by Geographic Area

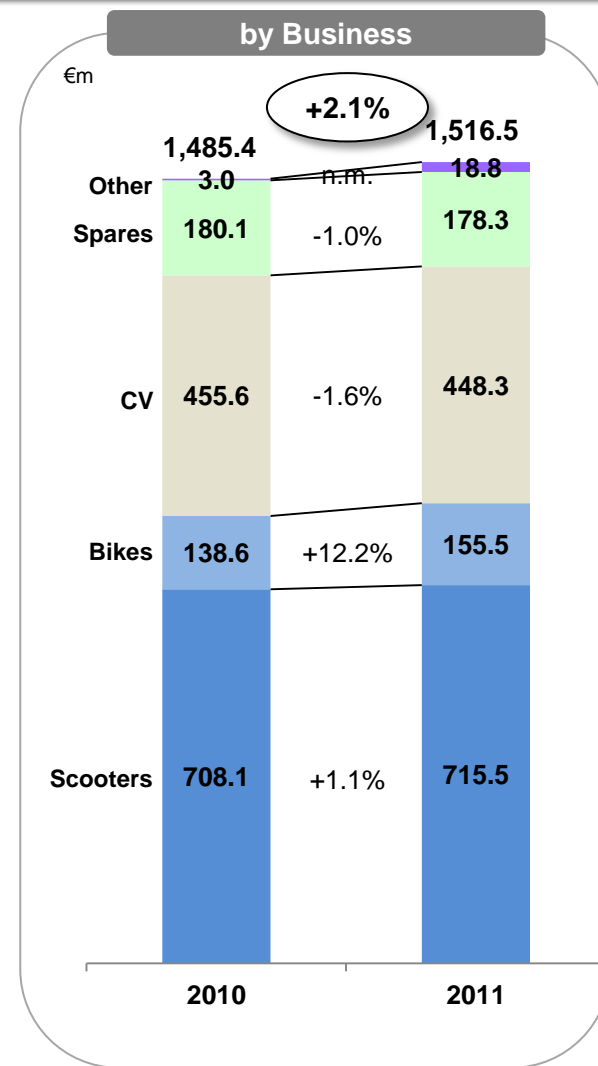
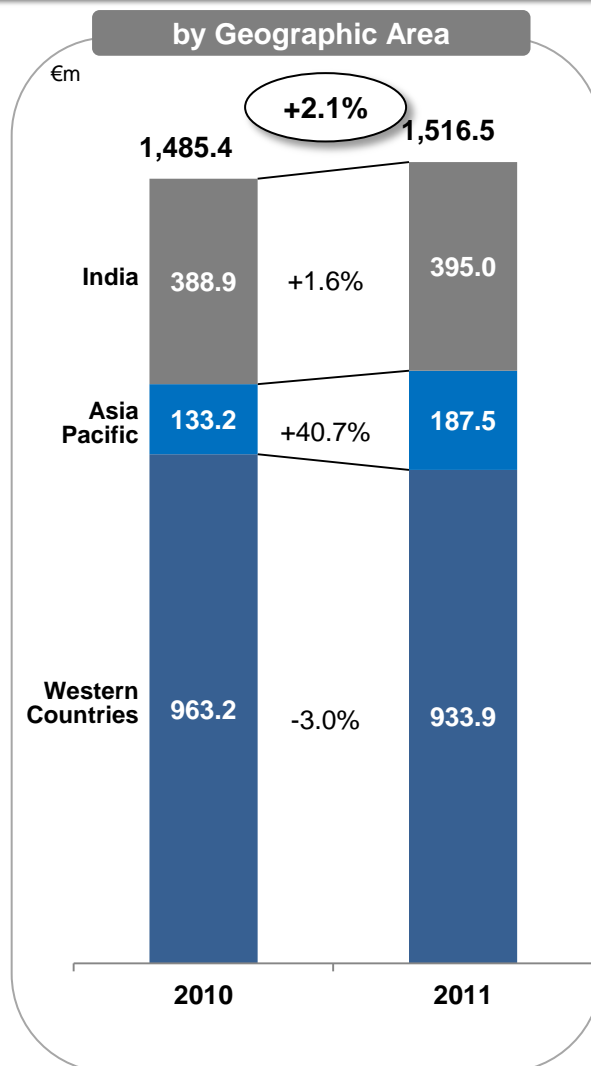
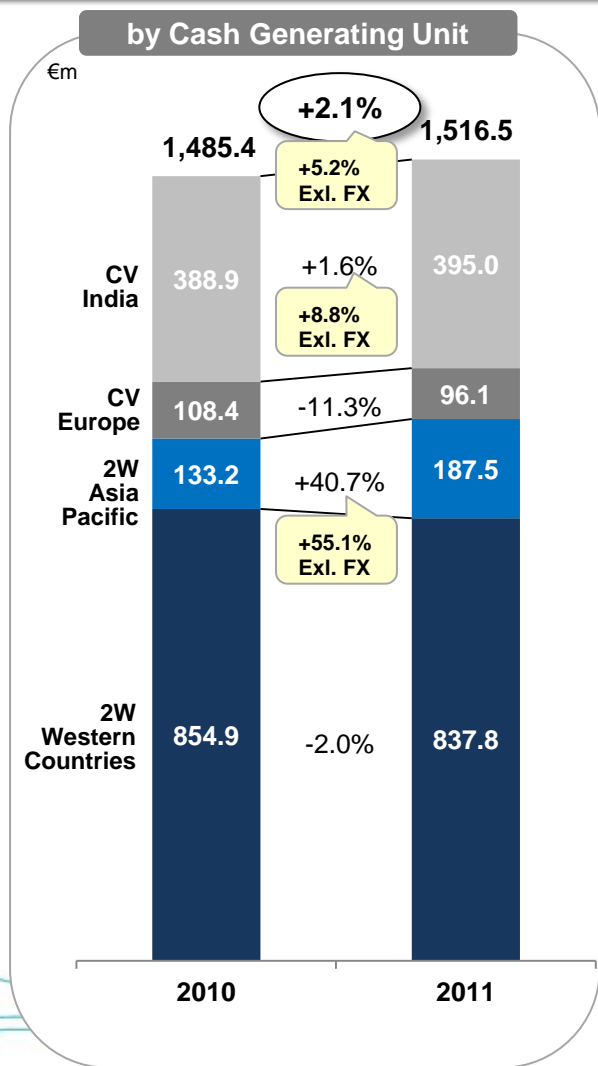


by Business



2W: 2 Wheels CV : Commercial Vehicles

Strong revenue growth in Emerging Markets more than offsets minor decline in 2 Wheels Western Countries; outstanding sales of Vespa at more than 150k units and strong growth of Moto Guzzi

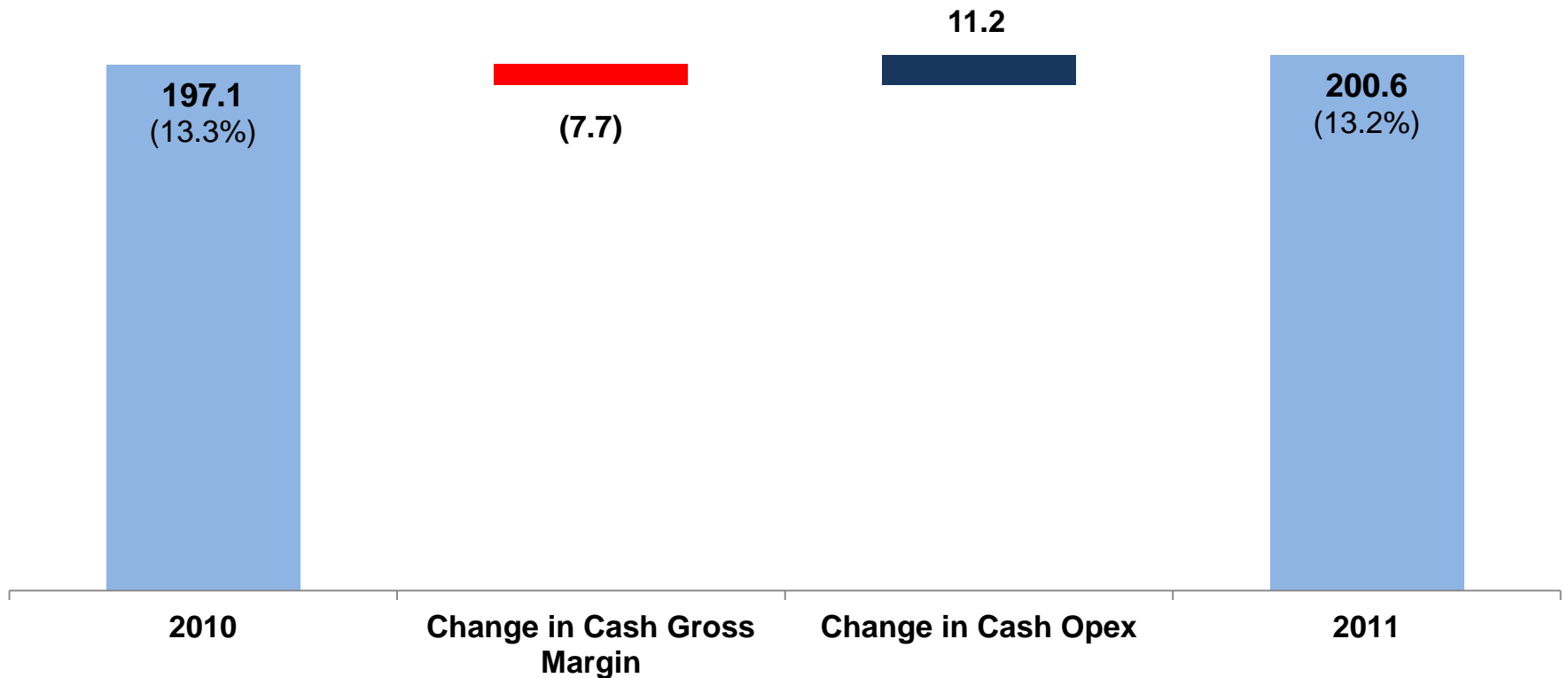


2W: 2 Wheels CV : Commercial Vehicles

Strong efficiency on fixed costs ensures EBITDA growth notwithstanding ~17 €m of one-off restructuring costs and ~13 €m of negative FX impact



EBITDA evolution (€m)

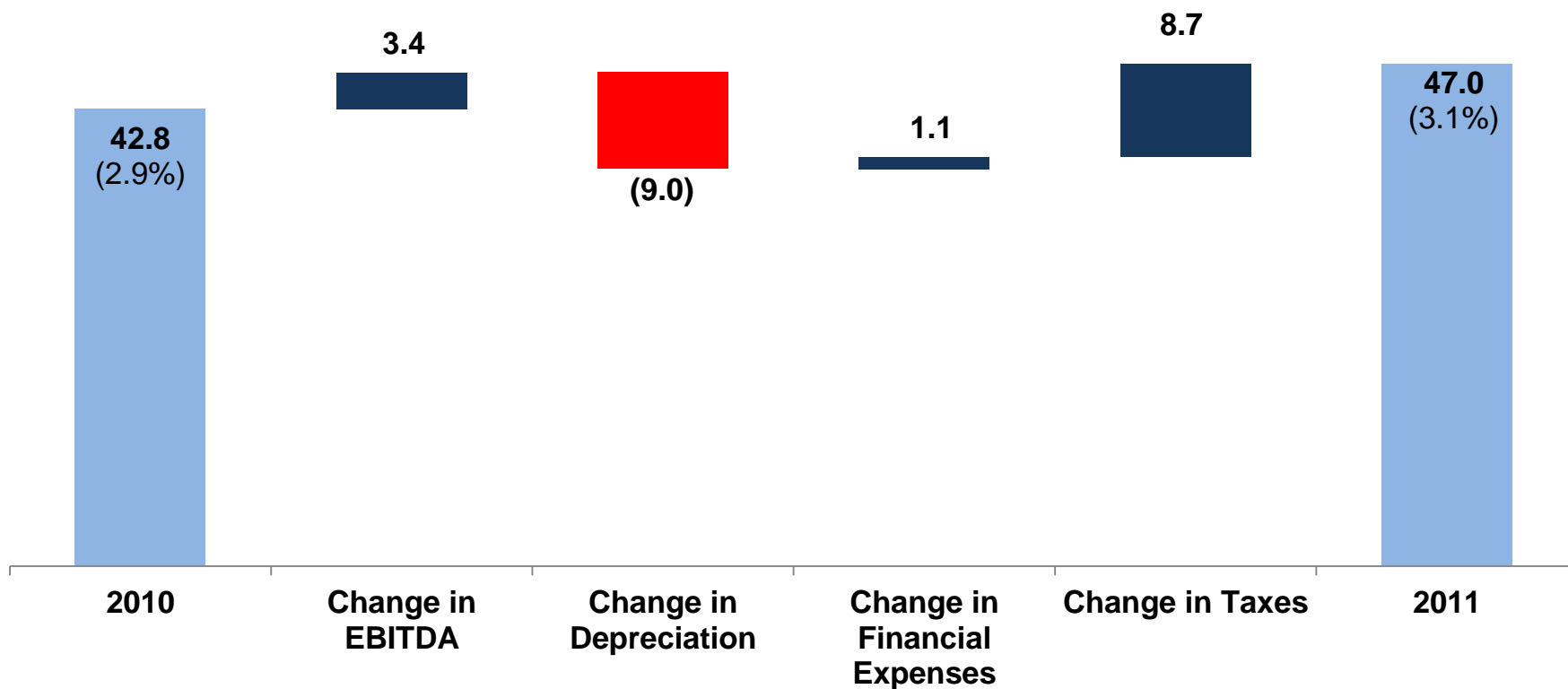


Streamlined structures lower break even point

Improvement of EBITDA and tax rate more than offset significantly higher depreciation leading to increase of Net Income



Net Income evolution (€m)

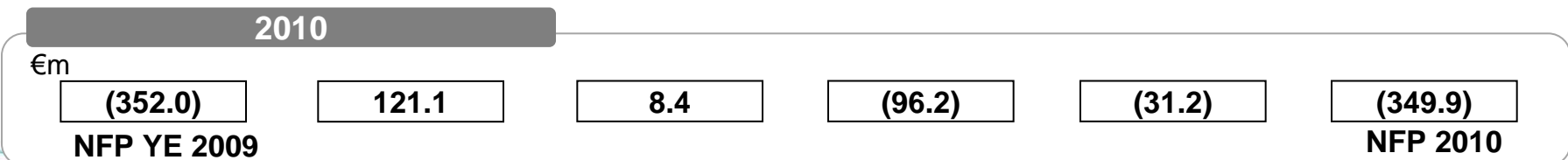
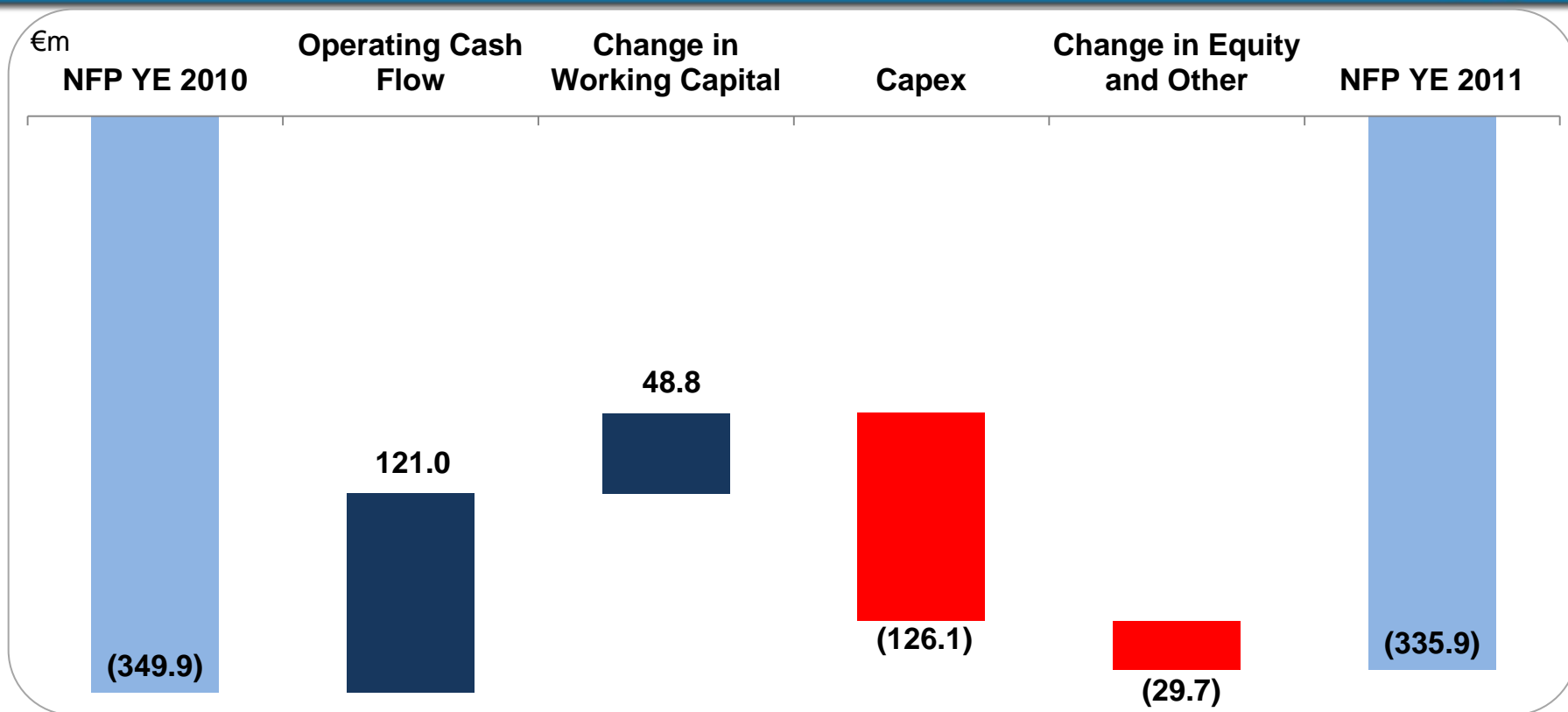


Healthy operating cash flow and tight control of Working Capital allow improvement of NFP even after strong CapEx increase to foster international expansion (1/2)



€m	2009	2010	2011	Chg. '10 vs '09	Chg. '11 vs '10
Trade Receivable	99.0	78.0	61.7	-21.0	-16.2
Inventories	252.5	240.1	237.0	-12.4	-3.1
Commercial Payable	(341.8)	(340.3)	(371.7)	+1.6	-31.4
Other assets/liabilities	7.5	31.1	33.0	+23.5	+2.0
Working Capital	17.2	8.8	(39.9)	-8.4	-48.8
Tangible Fixed Assets	250.4	256.8	274.9	+6.3	+18.1
Intangible Fixed Assets	641.3	652.6	649.4	+11.4	-3.2
Financial Investments	0.6	0.5	2.6	-0.1	+2.1
Provisions	(133.7)	(125.9)	(104.9)	+7.8	+21.0
Net Invested Capital	775.8	792.8	782.1	+17.1	-10.7
Net Financial Position	352.0	349.9	335.9	-2.0	-14.0
Equity	423.8	442.9	446.2	+19.1	+3.3
Total Sources	775.8	792.8	782.1	+17.1	-10.7
NFP/Equity	0.83	0.79	0.75		

Healthy operating cash flow and tight control of Working Capital allow improvement of NFP even after strong CapEx increase to foster international expansion (2/2)



Increased shareholder return through higher net income, dividends and share buy back



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