PIAGGIO & C. s.p.a.

Management and coordination
IMMSI S.p.A.
Share capital 205,941,272.16 EUR fully paid up
Registered office: Viale R. Piaggio 25, Pontedera (Pisa)
Pisa Register of Companies and Tax Code 04773200011
Pisa Economic and Administrative Index no. 134077

Interim Report on Operations
As of 31 March 2012

This report is available on the Internet at:
www.piaggiogroup.com

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Introduction

This unaudited Interim Report on Operations as of 31 March 2012 has been prepared in compliance with Italian Legislative Decree no. 58/1998 as amended, as well as with Consob Regulation on Issuers.

These Condensed Interim Financial Statements have been prepared in compliance with the International Accounting Standards (IAS/IFRS) issued by the International Accounting Standards Board (IASB) and approved by the European Commission, and according to IAS 34 – Interim Financial Reporting, adopting the same accounting standards used to prepare the Consolidated Financial Statements as of 31 December 2011.

In some cases, data could be affected by rounding off defects due to the fact that figures are represented in millions of Euro; changes and percentages are calculated from figures in thousands of Euro and not from rounded off figures in millions of Euro.

Interim Directors' Report

Key operating and financial data

In millions of Euro	1st Quarter 2012	1st Quarter 2011	Financial Statements 2011
Data on financial position			
Net sales revenues	343.1	351.7	1,516.5
Gross industrial margin	101.0	102.6	454.6
Operating income	13.0	12.2	105.5
Earnings before tax	5.8	5.6	79.3
Net income	3.2	3.0	47.0
.Non-controlling interests	0.0	0.0	0.0
.Group	3.2	3.0	47.1
Data on financial performance			
Net employed capital (NEC)	871.0	845.8	782.1
Consolidated net debt	(422.4)	(406.4)	(335.9)
Shareholders’ equity	448.6	439.4	446.2
Balance sheet figures and financial ratios			
Gross margin as a percentage of net revenues (%)	*29.4%*	29.2%	30.0%
Net income as a percentage of net revenues (%)	*0.9%*	0.8%	3.1%
ROS (Operating income/net revenues)	*3.8%*	3.5%	7.0%
ROE (Net income/shareholders' equity)	*0.7%*	0.7%	10.5%
ROI (Operating income/NEC)	*1.5%*	1.4%	13.5%
EBITDA	33.0	33.7	200.6
EBITDA/net revenues (%)	9.6%	9.6%	13.2%
Other information			
Sales volumes (unit/000)	142.3	149.0	653.3
Investments in property, plant and equipment and intangible assets	29.9	21.9	126.1
Research and Development[1]	19.4	18.2	68.5
Employees at the end of the period (number)	8,330	7,493	7,619

[1] The item "Research and Development" includes investments recognised in the statement of financial position and costs recognised in profit and loss.

Results by geographic segment

GEOGRAPHIC SEGMENT		EMEA and AMERICAS	INDIA	ASIA SEA	TOTAL
	1st Quarter 2012	64.1	50.7	27.5	**142.3**
Sales volumes	1st Quarter 2011	69.9	61.7	17.4	**149.0**
(units/000)	Change	(5.8)	(11.0)	10.1	**(6.7)**
	Change %	-8.3%	-17.8%	58.0%	**-4.5%**
	1st Quarter 2012	203.8	89.5	49.8	**343.1**
Turnover	1st Quarter 2011	209.4	110.0	32.2	**351.7**
(million euro)	Change	(5.6)	(20.5)	17.6	**(8.6)**
	Change %	-2.7%	-18.7%	54.8%	**-2.4%**
	As of 31/03/2012	4,673	2,728	929	**8,330**
Employees	As of 31/12/2011	4,356	2,331	932	**7,619**
(no.)	Change	317.0	397.0	(3.0)	**711**
	Change %	7.3%	17.0%	-0.3%	**9.3%**
	1st Quarter 2012	14.0	10.5	5.4	**29.9**
Investments	1st Quarter 2011	14.1	5.9	1.8	**21.9**
(million euro)	Change	(0.1)	4.6	3.5	**8.1**
	Change %	-0.8%	78.5%	192.5%	**36.9%**
	1st Quarter 2012	11.9	5.1	2.3	**19.4**
Research and Development[2]	1st Quarter 2011	13.1	3.8	1.3	**18.2**
(million euro)	Change	(1.1)	1.3	0.9	**1.1**
	Change %	-8.8%	35.2%	70.4%	**6.2%**

[2] The item "Research and Development" includes investments recognised in the statement of financial position and costs recognised in profit and loss.

Company Boards*

Board of Directors	
Chairman and Chief Executive Officer	Roberto Colaninno (1)
Deputy Chairman	Matteo Colaninno
Directors	Michele Colaninno (3)
	Franco Debenedetti (3), (4) (2)
	Daniele Discepolo (2), (4), (5)
	Mauro Gambaro (2)
	Livio Corghi
	Luca Paravicini Crespi (3), (5),(2)
	Riccardo Varaldo (4), (5), (2)
	Vito Varvaro (2)
	Andrea Paroli
Board of Statutory Auditors	
Chairman	Giovanni Barbara
Statutory Auditors	Attilio Francesco Arietti
	Alessandro Lai
Alternate Auditors	Mauro Girelli
	Elena Fornara
Supervisory Body	Antonino Parisi
	Giovanni Barbara
	Ulisse Spada
Executive in charge of financial reporting	Alessandra Simonotto
Independent Auditors	PricewaterhouseCoopers S.p.A.

1) Director in charge of internal audit

(2) Lead Independent Director

(3) Member of the Appointment Proposal Committee

(4) Member of the Remuneration Committee

(5) Member of the Internal Control Committee

*This information refers to the date of approval of the Interim Report on Operations as of 31 March 2012.

Significant events in the first quarter of 2012

6 January 2012 the Vespa for the Indian market was unveiled at the Auto Expo show in Delhi. With a new low emission 60 km/litre engine, the scooter will be manufactured at Piaggio's production facilities in Baramati (India) from March 2012. It will go on sale in 35 major Indian cities from April. Initial production capacity will amount to 150,000 vehicles/year.

23 January 2012 the revolving syndicated loan of 130 million euro undersigned on 29 December 2011 was finalised, as suspension conditions had been met. In particular, the remaining Euro 65 million of a pooled loan, with maturity in August 2012, was paid back in advance, and the early cancellation of a loan of Euro 100 million, undrawn on, with maturity in December 2012, was requested.

24 January 2012 the Group established an organisation based on the geographic areas EMEA and Americas, Asia SEA and India.

3 February 2012 Piaggio & C. S.p.A. was awarded the contract in the tender called by Poste Italiane S.p.A. at an EU level, with electronic bidding, to establish a framework agreement for the supply of 17,783 mopeds for postal deliveries.

1 March 2012 A new production site for scooter engines was inaugurated at Vinh Phuc in Vietnam. The facility will have an initial production capacity of more than 200,000 engines a year, which will go up to 300,000 as production capacity at the vehicle manufacturing site is stepped up.

14 March 2012 the opening of an Advanced Design Center at Pasadena in California (USA) was announced. The centre will work closely with the Piaggio Group's Style Centre, and R&D Centres based in Italy, China, India and Vietnam.

23 March 2012 with reference to the medium-term revolving loan for 130 million euro undersigned on 29 December 2011 by Piaggio & C. S.p.A., the amount was increased to the maximum value of 200 million Euro, through the participation of Mediobanca and Intesa Sanpaolo.

26 March 2012 production of the new Moto Guzzi V7 range got underway at the Mandello del Lario site.

Financial position and performance of the Group

Consolidated income statement

	1st Quarter 2012		1st Quarter 2011		Change	
	In millions of Euro	*Accounting for a %*	*In millions of Euro*	*Accounting for a %*	*In millions of Euro*	*%*
Consolidated income statement (reclassified)						
Net sales revenues	343.1	100.0%	351.7	100.0%	(8.6)	-2.4%
Cost to sell	242.1	70.6%	249.1	70.8%	(7.0)	-2.8%
Gross industrial margin	**101.0**	**29.4%**	**102.6**	**29.2%**	**(1.6)**	**-1.5%**
Operating expenses	87.9	25.6%	90.4	25.7%	(2.5)	-2.7%
EBITDA	**33.0**	**9.6%**	**33.7**	**9.6%**	**(0.7)**	**-2.1%**
Depreciation	20.0	5.8%	21.6	6.1%	(1.6)	-7.4%
Operating income	**13.0**	**3.8%**	**12.2**	**3.5%**	**0.9**	**7.3%**
Result of financial items	(7.2)	-2.1%	(6.5)	-1.9%	(0.7)	10.1%
Earnings before tax	**5.8**	**1.7%**	**5.6**	**1.6%**	**0.2**	**4.0%**
Taxes	2.6	0.8%	2.6	0.7%	(0.0)	-0.5%
Net income	**3.2**	**0.9%**	**3.0**	**0.8%**	**0.2**	**7.9%**

Vehicles

	1st Quarter 2012	1st Quarter 2011	Change
In thousands of units			
EMEA and Americas	64.1	69.9	(5.8)
India	50.7	61.7	(11.0)
ASIA SEA	27.5	17.4	10.1
TOTAL VEHICLES	**142.3**	**149.0**	**(6.7)**
Two-wheeler	88.6	83.7	5.0
Commercial Vehicles	53.7	65.3	(11.6)
TOTAL VEHICLES	**142.3**	**149.0**	**(6.7)**

Net revenues

	1st Quarter 2012	1st Quarter 2011	Change
In millions of Euro			
EMEA and Americas	203.8	209.4	(5.6)
India	89.5	110.0	(20.5)
ASIA SEA	49.8	32.2	17.6
TOTAL NET REVENUES	**343.1**	**351.7**	**(8.6)**
Two-wheeler	233.5	215.2	18.4
Commercial Vehicles	109.6	136.5	(26.9)
TOTAL NET REVENUES	**343.1**	**351.7**	**(8.6)**

During the first quarter of 2012, the Piaggio Group sold 142,300 vehicles worldwide, reporting a decrease of 4.5% in volume compared to the same period of the previous year (149,000 units sold). Sales of vehicles in the Asia SEA area went up considerably (+ 58.0%) thanks to an increased production capacity at the Vietnamese site and entry on the Indonesian market, while sales fell in the EMEA and the Americas (- 8.3%) and in India (-17.8%). As regards the type of products sold, the downturn in the *Commercial Vehicles* segment (-17.8%) was only partially offset by the growth in the Two-Wheeler segment (+5.9%).

Sales of *Two-Wheeler* vehicles were affected by a particularly complex market context and competitive scenario, at least as regards European markets. In particular, the Two-Wheeler market in EMEA fell by about 8.1% (- 8.3% for scooters and -7.7% for motorcycles). In the EMEA area, the Piaggio Group retained its market leadership position, with a 17.3% share (26,3% in the scooter segment). The Group achieved excellent sales results on the American market (+ 69.8%).

Sales of *Commercial Vehicles* were affected by the concurrent downturn of all reference markets (Italy – 38.7%, Europe – 18.7% and India -8.8%).

In terms of consolidated turnover, the Group ended the first quarter of 2012 with net revenues slightly down on the figure for the first quarter of 2011, amounting to 343.1 million Euro (- 2.4%). The Asia SEA area reported a considerable increase in turnover (+54.8%). Revenues were down instead in EMEA and the Americas (-2.7%) as well as in India (-18.7%). As regards the type of products sold, the downturn in the *Commercial Vehicles* segment (-19.7%) was only partially offset by the growth in the Two-Wheeler segment (+8.5%).
As a result, sales of *Two-Wheeler* vehicles accounted for 68.1% of overall turnover in the first quarter of 2012, going up from 61.1% in the first quarter of 2011, whereas sales of *Commercial Vehicles* accounted for 31.9% in the first quarter of 2012, going down from 38.9% in the first quarter of 2011.

As regards turnover in EMEA and the Americas, results were positively affected by the shift in demand towards more powerful products.

The Group's **gross industrial margin** defined as the difference between “net revenues” and “cost to sell” decreased in absolute terms compared to the first quarter of the previous year: the margin was equal to 101.0 million Euro (- 1.6 million Euro compared to the first half of 2011), while in relation to net turnover, it was equal to 29.4% (29.2% in the first half of 2011). The increase as a percentage is mainly due to the different product mix of *Two-Wheeler* and *Commercial Vehicles* described above.
For example, the "cost to sell" includes costs for materials (direct and consumables), accessory purchase costs (transport of incoming material, customs, warehousing), employee costs for direct and indirect manpower and relative expenses, work carried out by third parties, energy costs, depreciation of property, plant, equipment and industrial equipment, maintenance and cleaning costs net of sundry cost recovery recharged to suppliers. Amortisation/depreciation included in the gross industrial margin was equal to 7.7 million Euro (8.1 million Euro in the first quarter of 2011).

Operating expenses in 2012 amounted to 87.9 million Euro, approximately 2.5 million Euro lower compared to the same period of the previous year (90.4 million Euro) demonstrating the Group's ongoing commitment to cutting costs and keeping profitability levels high.
For example, operating expenses include employee costs, costs for services and lease and rental costs, as well as operating costs net of operating income not included in the gross industrial margin. Operating expenses also include amortisation/depreciation not included in the gross industrial margin, amounting to 12.3 million Euro (13.5 million Euro in the first quarter of 2011).

These trends in the income statement resulted in a consolidated **EBITDA** – defined as operating income gross of amortisation/depreciation which was down compared to the first quarter of 2011, and equal to 33.0 million Euro (33.7 million Euro in 2011). In relation to turnover, EBITDA was equal to 9.6%, in line with the figure recorded in the first quarter of the previous year. In terms of Operating Income (**EBIT**), performance in the first quarter of 2012 improved compared to the first quarter of 2011, with a consolidated EBIT equal to 13.0 million Euro, up 0.8 million Euro compared to the same period in 2011; in relation to turnover, EBIT was equal to 3.8%, compared to 3.5% in the first quarter of 2011.

Net income from financial operations, which decreased by 0.7 million Euro compared to the first quarter of the previous year, was affected by the increase in debit and increase in the cost of funding and charges incurred to refinance debt, partially offset by the positive impact of currency operations and the equity valuation of the joint venture in China.

Consolidated net profit stood at 3.2 million Euro (0.9% of turnover), basically in line with the figure of the first quarter of 2011, equal to 3.0 million Euro (0.8% of turnover). Income tax for the period is estimated at 2.6 million euro, accounting for 45% of earnings before tax.

Employees

The Group's **workforce** as of 31 March 2012 accounted for 8,330 employees compared to 7,619 as of 31 December 2011.
The increase in the average number of employees is due to expansion at the sites in India and Vietnam.

	Average number		Number as of	
Employee/staff numbers	1st Quarter 2012	1st Quarter 2011	As of 31/03/2012	As of 31/12/2011
Senior Management	95	103	95	97
Middle Management	567	487	570	515
White collars	2,174	2,083	2,161	2,127
Intermediate/blue collars	5,288	4,852	5,504	4,880
Total	**8,124**	**7,525**	**8,330**	**7,619**

Consolidated statement of financial position

In millions of Euro	As of 31 March 2012	As of 31 December 2011	Change
Statement of financial position			
Net working capital	37.7	(39.9)	77.6
Net tangible assets	281.0	274.9	6.1
Net intangible assets	652.8	649.4	3.4
Financial assets	4.2	2.6	1.6
Provisions	(104.7)	(104.9)	0.1
Net capital employed	**871.0**	**782.1**	**88.9**
Consolidated net debt	422.4	335.9	86.5
Shareholders’ equity	448.6	446.2	2.3
Sources of funds	**871.0**	**782.1**	**88.9**
Minority interest capital	1.2	1.2	0.0

Net working capital equal to 37.7 million Euro as of 31 March 2012 involved a cash flow of approximately 77.6 million Euro in the first quarter of 2012. Specifically, net working capital is defined as the sum of trade receivables, inventories, trade payables and other non-trade assets and liabilities. During the quarter, in a particularly challenging market context, the Piaggio Group was able to maintain a balance in net working capital, thanks above all to a careful management in the collection of trade receivables, and to a major focus on inventory management and optimisation.

Plant, property and equipment, comprising plant, property, machinery and industrial equipment, net of amortisation quota and assets held for sale, amounted to 281.0 million Euro as of 31 March 2012, with an increase of approximately 6.1 million Euro compared to 31 December 2011. This increase is mainly due to investments underway in India and Vietnam to expand production sites.

Intangible assets, comprising capitalised development costs, costs for patents and know-how, as well as goodwill arising from acquisitions/mergers taking place within the Group over the last few years, totalled 652.8 million Euro, with an increase of approximately 3.4 million Euro compared to 31 December 2011. This increase is due to investments in research and development made in the period.

Financial assets, defined as the sum of “investments”, “other non-current financial assets" and "financial liabilities not included in the financial position" totalled 4.2 million Euro. The increase of 1.6 million Euro mainly concerns the equity valuation of the Zongshen Piaggio Foshan joint venture.

Provisions, comprising retirement funds and employee benefits, other long term provisions, from the current portion of other long term provisions, as well as deferred tax liabilities, totalled 104.7 million Euro, which is more or less in line with figures as of 31 December 2011.

As fully described in the next section on the "Consolidated Cash Flow Statement", **net financial debt** as of 31 March 2012 was equal to 422.4 million Euro, compared to 335.9 million Euro as of 31 December 2011. The increase of approximately 86.5 million Euro in net debt is mainly due to the seasonal nature of the Two-Wheeler market which, as is well-known, uses resources in the first part of the year and generates them in the second half. In addition to this effect, investments increased in the first quarter of 2012 compared to the same period in 2011.

Shareholders' equity as of 31 March 2012 amounted to 448.6 million Euro, up by approximately 2.3 million Euro compared to 31 December 2011.
During the period, share capital changed, following the purchase of 401,062 treasury shares.
As of 31 March 2012 the Parent Company held 7,245,142 treasury shares, equal to 1.9% of the share capital.

Consolidated Cash Flow Statement

The consolidated cash flow statement prepared in accordance with the models provided by international financial reporting standards (IFRS) is shown in the "Consolidated Financial Statements and Notes as of 31 March 2012"; the following is a comment relating to the summary statement shown.

	1st Quarter		
In millions of Euro	2012	2011	Change
Change in consolidated net debt			
Opening consolidated net debt	**(335.9)**	**(349.9)**	**14.0**
Cash flow from operating activities (earnings+amortisation/depreciation)	23.2	24.5	(1.4)
(Increase)/reduction in working capital	(77.6)	(57.6)	(20.0)
(Increase)/reduction in net investments	(31.0)	(13.4)	(17.6)
Net change in retirement funds and other provisions	(0.1)	(3.5)	3.3
Change in shareholders' equity	(0.9)	(6.5)	5.6
Total change	**(86.5)**	**(56.5)**	**(30.0)**
Closing consolidated net debt	**(422.4)**	**(406.4)**	**(16.0)**

During the first quarter of 2012, the Piaggio Group used **financial resources** amounting to 86.5 million Euro.

Cash flow from operating activities, defined as net income minus non-monetary costs and income, was equal to 23.2 million Euro.

Working capital involved a cash flow of 77.6 million Euro.

Investment activities involved a total of 31.0 million Euro of financial resources. These refer to approximately 13.4 million Euro for capitalised research and development expenditure, and approximately 16.5 million Euro for plant, property and equipment and intangible assets.

As a result of the above financial dynamics, which involved a cash flow of 86.5 million Euro, the **net debt** of the Piaggio Group stood at -422.4 million Euro.

Results by type of product

Two-wheeler

Two-wheeler	1st Quarter 2012		1st Quarter 2011		Change %		Change	
	Volumes Sell-in (units/000)	Turnover (million euro)	Volumes Sell-in (units/000)	Turnover (million euro)	Volumes	Turnover	Volumes	Turnover
EMEA and Americas	61.2	183.7	66.3	183.0	-7.7%	0.4%	(5.1)	0.7
of which EMEA	57.8	166.6	64.3	176.3	-10.1%	-5.5%	(6.5)	(9.7)
(of which Italy)	*14.3*	*48.6*	*18.2*	*57.2*	*-21.8%*	*-15.0%*	*(4.0)*	*(8.6)*
of which America	3.3	17.1	2.0	6.7	69.8%	156.5%	1.4	10.4
ASIA SEA	27.5	49.8	17.4	32.2	58.0%	54.8%	10.1	17.6
TOTAL	**88.6**	**233.5**	**83.7**	**215.2**	**5.9%**	**8.5%**	**5.0**	**18.4**
Scooters	79.2	154.0	73.4	142.0	7.9%	8.4%	5.8	12.0
Motorcycles	9.4	44.4	10.3	40.2	-8.2%	10.4%	(0.8)	4.2
Spare parts and Accessories		29.9		29.7		1.0%		0.3
Other		5.2		3.3		58.9%		1.9
TOTAL	**88.6**	**233.5**	**83.7**	**215.2**	**5.9%**	**8.5%**	**5.0**	**18.4**

The Two-Wheeler market mainly comprises two product segments: scooters and motorcycles, in addition to the related spare parts and accessories business, the sale of engines to third parties, involvement in main two-wheeler sports championships and technical service.

In the first quarter of 2012, the Piaggio Group sold a total of 88,600 units in the Two-Wheeler segment, worldwide, accounting for a net turnover of approximately 233.5 million Euro (%), including spare parts and accessories (+18.4 million Euro, + 8.5% compared to the first quarter of 2011). In the first quarter of 2012, the Piaggio Group reconfirmed its leadership position on the European scooter market. The Group achieved an excellent result in the scooter segment, with volumes and turnover increasing by 7.9% and 8.4% respectively compared to the first quarter of 2011. In general, the mix of sold products changed in the entire sector, with sales of more powerful products on the increase.

During the first quarter of 2012 the trend of the Piaggio Group was heavily affected by the drop in demand on the Italian and European market, in both the scooter and motorcycle segments (- 8.3% and

-7.7% respectively, in EMEA), while growth in the Asian area was considerable, compared to the previous year. Thanks to an increased production capacity at the Vietnam site, sales and turnover went up by 58.0% and 54.8% respectively.

Results in America also improved, with sales and turnover increasing by 69.8% and 156.5% respectively

Commercial Vehicles

Commercial Vehicles	1st Quarter 2012		1st Quarter 2011		Change %		Change	
	Volumes Sell-in (units/000)	Turnover (million euro)	Volumes Sell-in (units/000)	Turnover (million euro)	Volumes	Turnover	Volumes	Turnover
EMEA and Americas	3.0	20.1	3.6	26.5	-17.9%	-24.1%	(0.6)	(6.4)
(of which Italy)	*1.4*	*12.0*	*2.3*	*17.6*	*-36.7%*	*-31.9%*	*(0.8)*	*(5.6)*
(of which America)	*0.4*	*1.1*	0.2	0.4	*110.8%*	*181.1%*	*0.2*	*0.7*
India	50.7	89.5	61.7	110.0	-17.8%	-18.7%	(11.0)	(20.5)
TOTAL	**53.7**	**109.6**	**65.3**	**136.5**	**-17.8%**	**-19.7%**	**(11.6)**	**(26.9)**
Ape	50.9	86.5	61.3	105.6	-17.0%	-18.1%	(10.4)	(19.1)
Porter	0.8	8.1	1.2	12.1	-35.1%	-32.8%	(0.4)	(4.0)
Quargo	0.6	2.6	0.7	3.6	-19.9%	-27.2%	(0.1)	(1.0)
Mini Truk	1.5	2.9	2.1	4.3	-30.4%	-33.0%	(0.6)	(1.4)
Other	0.0	0.0						
Spare parts and Accessories		9.5		10.9		-13.4%		-1.5
TOTAL	**53.7**	**109.6**	**65.3**	**136.5**	**-17.8%**	**-19.7%**	**(11.6)**	**(26.9)**

The Commercial Vehicles market includes three- and four-wheelers with a maximum mass below 3.5 tons (category N1 in Europe) designed for commercial and private use, and related spare parts and accessories.

In the first quarter of 2012, the Piaggio Group sold a total of 53,700 Commercial Vehicles worldwide, generating revenues of approximately 109.6 million Euro, including approximately 9.5 million Euro relative to spare parts and accessories, registering a 19.7% decrease over the previous year.

On the European market, the Piaggio Group sold 2,600 units in the first quarter of 2012, for a total net turnover of approximately 19.0 million Euro. The decrease compared to the same period of the previous year, equal to 600 units and approximately 6.4 million Euro of turnover, is mainly due to the highly negative trend of the chassis-cab vehicle reference segment (0-2.5t), which recorded a downturn of approximately 38.7% in the first quarter of 2012 in Italy - its reference market [3]. In other European markets, the downturn stood at 18.7%. With its Porter and Porter Maxxi vehicles, Piaggio reported a

[3] Processing of Jato Dynamics data

decline of 27.6% while the Ape retained its performance compared to figures for the same period in 2011, with 2,000 units sold.

On the South American market, sales of three-wheeler vehicles in the Commercial Vehicles Division increased in the first quarter of 2012, to reach approximately 450 units, compared to approximately 200 units sold in the same period in 2011.

On the Indian domestic three-wheeler market, affected by a downturn of 8.8% compared to the previous year, Piaggio Vehicles Private Limited achieved a 33.6% share. Sales of three-wheeler vehicles dropped by 18.7%, from 61,690 units in the first quarter of 2011 to 50,704 units in the first quarter of 2012. Detailed analysis of the market shows that Piaggio Vehicles Private Limited has held onto its role as market leader in the cargo segment, achieving a 49.8% share (58.4% in 2011). Its market share is still significant in the Passenger segment, standing at 29.3% (32.8% in 2011). Export performance was particularly significant, with the number of units going up from approximately 1,457 in the first quarter of 2011 to approximately 1,929 in the first quarter of 2012.
On the four-wheeler market, Piaggio Vehicles Private Limited sold 1,858 units in the first quarter of 2012 (2,439 in 2011).

Significant events after 31 March 2012

11 April 2012 - Following the competitive bidding procedure pursuant to article 105-107 of the Italian Bankruptcy Law, a contract of purchase was signed for the company site "Tecnocontrol" situated in Pontedera, for a total value of 11,323,000 euro.

13 April 2012 – The Meeting of Shareholders of Piaggio & C. S.p.A. appointed the new Board of Directors that will remain in office for three years until approval of the financial statements as of 31/12/2014.
The Board of Directors will comprise 11 members, taken from the list submitted by the majority shareholder Immsi S.p.A.: Roberto Colaninno, Matteo Colaninno, Michele Colaninno, Andrea Paroli, Livio Corghi, Franco Debenedetti (independent director), Daniele Discepolo (independent director), Mauro Gambaro (independent director), Luca Paravicini Crespi (independent director), Riccardo Varaldo (independent director), Vito Varvaro (independent director).
The Meeting of Shareholders also appointed the Board of Statutory Auditors, comprising: Giovanni Barbara (Chairman), Alessandro Lai and Francesco Arietti as statutory auditors and Mauro Girelli and Elena Fornara as alternate auditors.
The Curricula Vitae of Board Directors and members of the Board of Statutory Auditors are available at www.piaggiogroup.com, under Governance.

13 April 2012 – The Meeting of Shareholders resolved to appoint PricewaterhouseCoopers S.p.A. to audit the company's accounts for the 2012-2020 period.

28 April 2012 - Two days after its presentation to the Indian and international press at Bombay, the new Piaggio Group site for manufacturing Vespas for the Indian market at Baramati (State of Maharashtra) was officially inaugurated. The new site will have an initial production capacity of 150,000 vehicles/year, which will be increased to 300,000 vehicles/year in 2013.

Operating outlook

The 2011-2014 Plan presented on 14 December 2011 will target a major increase in productivity, to generate value for shareholders, customers and employees, levering the Group's consolidated international presence, and to increase competitive product costing in key processes such as purchasing, manufacturing and design.

In terms of business and geographic segments, the Plan sets out a development strategy in keeping with the global economic scenario, and aims for considerable growth on emerging markets and a high rate of development, whilst retaining and consolidating its leadership positions on mature markets.

Specifically:

- in the Asia SEA area, expansion of the two-wheeler range and engines, and completion of activities to enter the Indonesian market and new Asian markets, thanks to an increased production capacity at Piaggio Vietnam (300,000 units/year compared to the current figure of 140,000 units/year);
- entry on the Indian scooter market and its high annual growth rates, with the premium brand Vespa and presentation (26 April 2012) of the model for the Indian domestic market, which went into production in the first quarter of 2012 at the new site in Baramati, officially inaugurated on 28 April 2012;
- on mature western markets, further consolidation of the Group's European leadership at a two-wheeler and scooter segment level, and a growth in sales and margins in the motorcycle segment thanks to the Aprilia and Moto Guzzi ranges;
- for commercial vehicles, a growth in sales and market shares in India (thanks also to new three- and four-wheeler products in segments with the highest growth rate) and in emerging countries, and maintaining current positions on the European market. Further development of exports targeting African, Asian and Latin American markets.

From a technological viewpoint, the Piaggio Group is extremely focussed on developing new highly innovative engines with far lower fuel consumption and pollutant emission levels in the two-wheeler and commercial vehicles segments. Thanks to work between the Piaggio Group's R&D Centres in Europe and Asia and world-class university institutes, the development of vehicles with new generation electric engines and hybrid engines will continue and in fact the Piaggio Group is already at the forefront of hybrid engine technology worldwide.

In line with the increasingly global profile of industrial and business operations, the development of an international system of competencies and research in product marketing and style, will be given a major boost, with Group centres in Europe, Asia and the USA bringing together the best designers and marketing experts from all Piaggio Group sites worldwide.

Transactions with related parties

Revenues, costs, receivables and payables as of 31 March 2012 involving parent companies, subsidiaries and affiliated companies refer to the sale of goods or services which are a part of normal operations of the Group.

Transactions are carried out at normal market values, depending on the characteristics of the goods and services provided.

The information on transactions with related parties, including information required by Consob in its communication of 28 July 2006, is given in note E of the Consolidated Financial Statements.

The procedure for transactions with related parties, pursuant to article 4 of Consob Regulation no. 17221 of 12 March 2010 as amended, approved by the Council on 30 September 2010, is published on the institutional site of the Issuer www.piaggiogroup.com, under *Governance*.

Relations with the Parent Company

Piaggio & C. S.p.A. is subject to the management and coordination of IMMSI S.p.A. pursuant to article 2497 et seq. of the Italian Civil Code. During the period, this management and coordination concerned the following activities:

- As regards mandatory financial disclosure, and in particular the financial statements and reports on operations of the Group, IMMSI has produced a group manual containing the accounting standards adopted and options chosen for implementation, in order to give a consistent and fair view of the Consolidated Financial Statements.

- IMMSI has defined procedures and times for preparing the budget and in general the industrial plan of Group companies, as well as final management analysis to support management control activities.

- IMMSI has also provided services for the development and management of Company assets, with a view to optimising resources within the Group, and provided property consultancy services and other administrative services.

- Lastly, IMMSI has provided consultancy services and assistance for the Company and subsidiaries concerning extraordinary financing operations, organisation, strategy and coordination, as well as services intended to optimise the financial structure of the Group.

Pursuant to article 2.6.2, section 13 of the Regulation of Stock Markets organised and managed by Borsa Italiana S.p.A., the conditions as of article 37 of Consob regulation no. 16191/2007 exist.

Other information

Corporate

During the period, the company structure of the Group did not change.

Stock Option Plan

With regard to the 2007-2009 incentive plan approved by the General Meeting of Shareholders on 7 May 2007 and subsequently amended, for executives of the Company or of its Italian and/or foreign subsidiaries, in compliance with article 2359 of the Italian Civil Code, as well as for directors having powers in the aforesaid subsidiaries ("2007-2009 plan") during the quarter 150,000 option rights expired.

As of 31 March 2012, 3,940,000 option rights had been assigned for a corresponding number of shares.

Detailed information on the 2007-2009 Plan is available in the documents published by the Issuer in accordance with article 84-*bis* of Consob Regulation on Issuers. These documents can be consulted on the institutional web site of the Issuer www.piaggiogroup.com under Governance.

Rights	No. of options	Average exercise price (Euro)	Market price (Euro)
Rights existing as of 31/12/2011	4,090,000		
° of which exercisable as of 31/12/2011	300,000		
New rights assigned in the 1st quarter of 2012			
Rights exercised in the 1st quarter of 2012			
Rights expired in the 1st quarter of 2012	(150,000)		
Rights existing as of 31/03/2012	3,940,000		
° of which exercisable as of 31/03/2012	690,000		

Mantova 8 May 2012

For the Board of Directors

Chairman and Chief Executive Officer
Roberto Colaninno

Piaggio Group

Condensed Interim Financial Statements, Consolidated Financial Statements and Notes as of 31 March 2012

Consolidated Income Statement

In thousands of Euro	Notes	1st Quarter 2012 Total	1st Quarter 2012 of which Related parties (Section E)	1st Quarter 2011 Total	1st Quarter 2011 of which Related parties (Section E)
Net revenues	4	**343,122**	**248**	**351,679**	**191**
Cost for materials	5	201,475	6,737	211,901	7,674
Cost for services and leases and rentals	6	65,789	1,103	64,873	999
Employee costs	7	61,854		64,205	
Depreciation of property, plant and equipment	8	8,654		9,093	
Amortisation of intangible assets	8	11,329		12,478	
Other operating income	9	23,656	43	26,279	182
Other operating costs	10	4,638		3,255	
Operating income		**13,039**		**12,153**	
Income/(loss) from investments	11	1,056			
Financial income	12	776		1,126	
Borrowing Costs	12	9,464	58	7,209	79
Net exchange gains/(losses)	12	422		(465)	
Earnings before tax		**5,829**		**5,605**	
Taxation for the period	13	2,623		2,635	
Earnings from continuing activities		**3,206**		**2,970**	
Assets held for disposal:					
Profits or losses arising from assets held for disposal	14				
Net Income (Loss) for the period		**3,206**		**2,970**	
Attributable to:					
Shareholders of the Parent Company		**3,210**		**2,995**	
Non-controlling interests		**(4)**		**(25)**	
Earnings per share (figures in €)	15	**0.009**		**0.008**	
Diluted earnings per share (figures in €)	15	**0.009**		**0.008**	

Consolidated Statement of Comprehensive Income

In thousands of Euro	Notes	1st Quarter 2012	1st Quarter 2011	Change
Profit (loss) for the period (A)		**3,206**	**2,970**	**236**
Effective portion of profits (losses) on cash flow hedges	29	(525)	(1,440)	915
Profit (loss) deriving from the translation of financial statements of foreign companies denominated in foreign currency		208	(5,421)	5,629
Total Other Profits (and losses) for the period (B)*		**(317)**	**(6,861)**	**6,544**
Total Profit (loss) for the period (A + B)		**2,889**	**(3,891)**	**6,780**

* Other Profits (and losses) take account of relative tax effects

Attributable to:				
Shareholders of the Parent Company		**2,890**	**(3,866)**	**6,756**
Non-controlling interests		**(1)**	**(25)**	**24**

Consolidated Statement of Financial Position

In thousands of Euro	Notes	As of 31 March 2012 Total	As of 31 March 2012 of which Related parties (Section E)	As of 31 December 2011 Total	As of 31 December 2011 of which Related parties (Section E)
ASSETS					
Non-current assets					
Intangible assets	16	652,779		649,420	
Property, plant and equipment	17	280,997		274,871	
Investment property	18				
Investments	19	3,532		2,482	
Other financial assets	20	9,156		11,836	
Long-term tax receivables	21	1,118		976	
Deferred tax assets	22	57,557		55,726	
Trade receivables	23				
Other receivables	24	17,270	405	15,165	405
Total non-current assets		**1,022,409**		**1,010,476**	
Assets held for sale	28				
Current assets					
Trade receivables	23	124,990	1,826	65,560	2,453
Other receivables	24	27,958	6,496	28,028	6,456
Short-term tax receivables	21	31,041		27,245	
Inventories	25	267,986		236,988	
Other financial assets	26	7,216		0	
Cash and cash equivalents	27	107,499		151,887	
Total current assets		**566,690**		**509,708**	
TOTAL ASSETS		**1,589,099**		**1,520,184**	

In thousands of Euro	Notes	As of 31 March 2012 Total	As of 31 March 2012 of which Related parties (Section E)	As of 31 December 2011 Total	As of 31 December 2011 of which Related parties (Section E)
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity					
Share capital and reserves attributable to the shareholders of the Parent Company	29	447,376		445,036	
Share capital and reserves attributable to non-controlling interests	29	1,181		1,182	
Total shareholders' equity		**448,557**		**446,218**	
Non-current liabilities					
Financial liabilities falling due after one year	30	412,184	2,900	329,200	2,900
Trade payables	31	234		235	
Other long-term provisions	32	12,536		12,429	
Deferred tax liabilities	33	32,359		32,735	
Retirement funds and employee benefits	34	46,813		46,603	
Tax payables	35	1,931		2,539	
Other long-term payables	36	5,429		5,948	
Total non-current liabilities		**511,486**		**429,689**	
Current liabilities					
Financial liabilities falling due within one year	30	133,407		170,261	
Trade payables	31	393,054	15,066	375,263	18,903
Tax payables	35	18,968		20,920	
Other short-term payables	36	70,602	93	64,718	75
Current portion of other long-term provisions	32	13,025		13,115	
Total current liabilities		**629,056**		**644,277**	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1,589,099**		**1,520,184**	

Consolidated Cash Flow Statement

This statement shows the factors behind changes in cash and cash equivalents, net of short-term bank overdrafts, as required by IAS 7.

		1st Quarter 2012		1st Quarter 2011	
		Total	of which Related parties (Section E)	Total	of which Related parties (Section E)
In thousands of Euro	*Notes*				
Operating activities					
Consolidated net income		3,210		2,995	
Allocation of profit to non-controlling interests		(4)		(25)	
Taxation for the period	13	2,623		2,635	
Depreciation of property, plant and equipment	8	8,654		9,093	
Amortisation of intangible assets	8	11,329		12,478	
Non-monetary costs for stock options		171		359	
Allocations for risks and retirement funds and employee benefits		5,622		4,526	
Write-downs / (Reversals)		427		123	
Losses / (Gains) on the disposal of property, plants and equipment		0		(13)	
Financial income	12	(483)		(1,126)	
Dividend income		(6)		0	
Borrowing Costs	12	8,521		5,852	
Income from public grants		(981)		(718)	
Portion of earnings of affiliated companies		(1,050)		0	
Change in working capital:					
(Increase)/Decrease in trade receivables	23	(59,430)	627	(46,853)	(94)
(Increase)/Decrease in other receivables	24	(2,075)	(40)	(7,039)	156
(Increase)/Decrease in inventories	25	(30,998)		18,891	
Increase/(Decrease) in trade payables	31	17,790	(3,837)	(8,759)	3,766
Increase/(Decrease) in other payables		5,365	18	(11,787)	(8)
Increase/(Decrease) in provisions for risks	32	(2,594)		(3,060)	
Increase/(Decrease) in retirement funds and employee benefits	34	(2,663)		(3,779)	
Other changes		(14,351)		9,053	
Cash generated from operating activities		**(50,923)**		**(17,154)**	
Interest paid		(4,239)		(4,433)	
Taxes paid		(5,077)		(11,286)	
Cash flow from operating activities (A)		**(60,239)**		**(32,873)**	
Investment activities					
Investment in property, plant and equipment	17	(15,178)		(8,314)	
Sale price of property, plant and equipment		29		163	
Investment in intangible assets	16	(14,769)		(13,559)	
Sale price, or repayment value, of intangible assets		448		5	
Purchase of financial assets		(7,216)		0	
Sale price of financial assets		0		8,443	
Collected interests		231		1,021	
Cash flow from investment activities (B)		**(36,455)**		**(12,241)**	
Financing activities					
Purchase of treasury shares	29	(721)		0	
Loans received	30	130,000		53,811	
Outflow for repayment of loans	30	(84,813)		(20,397)	
Financing received for leases	30	0		227	
Repayment of finance leases	30	(219)		(196)	
Cash flow from funding activities (C)		**44,247**		**33,445**	
Increase / (Decrease) in cash and cash equivalents (A+B+C)		(52,447)		(11,669)	
Opening balance		**151,802**		**154,758**	
Exchange differences					
Closing balance		**99,355**		**143,089**	

The table below details the breakdown of the balance of cash and cash equivalents as of 31 March 2012 and 31 March 2011.

Amounts in €/000	Notes	As of 31 March 2012	As of 31 March 2011	Change
Cash and cash equivalents	27	107,499	143,604	(36,105)
Current account overdrafts	30	(8,144)	(515)	(7,629)
Closing balance		**99,355**	**143,089**	**(43,734)**

Consolidated Net Debt (Net Financial Debt)

In thousands of Euro	Notes	As of 31 March 2012	As of 31 December 2011	Change
Liquidity	27	**107,499**	**151,887**	**(44,388)**
Securities	26	7,216		7,216
Current financial receivables		**7,216**	**0**	**7,216**
Payables due to banks	30	(53,020)	(22,949)	(30,071)
Current portion of bank financing	30	(57,656)	(122,428)	64,772
Amounts due to factoring companies	30	(17,950)	(20,085)	2,135
Amounts due under leases	30	(905)	(894)	(11)
Current portion of payables due to other lenders	30	(3,876)	(3,905)	29
Current financial debt		**(133,407)**	**(170,261)**	**36,854**
Net current financial debt		**(18,692)**	**(18,374)**	**(318)**
Payables due to banks and financing institutions	30	(200,100)	(112,768)	(87,332)
Debenture loan	30	(191,914)	(191,859)	(55)
Amounts due under leases	30	(6,515)	(6,745)	230
Amounts due to other lenders	30	(5,191)	(6,153)	962
Non-current financial debt		**(403,720)**	**(317,525)**	**(86,195)**
NET FINANCIAL DEBT		**(422,412)**	**(335,899)**	**(86,513)**

***** Pursuant to Consob Communication of 28 July 2006 and in compliance with the recommendation of the CESR of 10 February 2005 "Recommendation for the consistent implementation of the European Commission's Regulation on Prospectuses". The indicator does not include financial assets and liabilities arising from the fair value measurement of financial derivatives used as hedging and the fair value adjustment of relative hedged items equal to €/000 8,464 (see note 30 of the Notes).

This table reconciles the movement in the flow of consolidated net debt with cash and cash equivalent movements as shown in the Consolidated Statement of Cash Flows.

In thousands of Euro	
Increase/decrease in cash and cash equivalents from the consolidated cash flow statement	**(52,447)**
Outflow for repayment of loans	84,813
Repayment of finance leases	219
Loans received	(130,000)
Amortised cost on medium-/long-term financing	2,856
Loans on leases received	
Repayment of loans provided	0
Purchase of financial assets	7,216
Sale of financial assets	0
Exchange differences	830
Change in consolidated net debt	**(86,513)**

Changes in Consolidated Shareholders' Equity

Movements from 1 January 2012 / 31 March 2012

In thousands of Euro	Notes	Share capital	Share premium reserve	Legal reserve	Reserve for measurement of financial instruments	IAS transition reserve	Group consolidation reserve	Group conversion reserve	Stock option reserve	Performance reserve	***Consolidated Group shareholders' equity***	***Non-controlling interests capital and reserves***	**TOTAL SHAREHOLDERS' EQUITY**
As of 1 January 2012		202,209	3,493	12,241	(1,510)	(5,859)	993	(13,087)	12,700	233,856	**445,036**	**1,182**	**446,218**
Charges for the period for stock option plans	29								171		**171**		**171**
Allocation of profits	29										**0**		**0**
Distribution of dividends	29										**0**		**0**
Purchase of treasury shares	29	(223)								(498)	**(721)**		**(721)**
Total overall profit (loss)	29				(525)			205		3,210	**2,890**	**(1)**	**2,889**
As of 31 March 2012		**201,986**	**3,493**	**12,241**	**(2,035)**	**(5,859)**	**993**	**(12,882)**	**12,871**	**236,568**	**447,376**	**1,181**	**448,557**

Movements from 1 January 2011 / 31 March 2011

In thousands of Euro	Notes	Share capital	Share premium reserve	Legal reserve	Reserve for measurement of financial instruments	IAS transition reserve	Group consolidation reserve	Group conversion reserve	Stock option reserve	Performance reserve	***Consolidated Group shareholders' equity***	***Non-controlling interests capital and reserves***	**TOTAL SHAREHOLDERS' EQUITY**
As of 1 January 2011		203,348	3,493	11,299	(227)	(5,859)	993	(1,850)	11,929	218,151	**441,277**	**1,613**	**442,890**
Charges for the period for stock option plans	29								359		**359**		**359**
Allocation of profits	29										**0**		**0**
Distribution of dividends	29										**0**		**0**
Purchase of treasury shares	29												
Total overall Profit (loss)	29				(1,440)			(5,421)		2,995	**(3,866)**	**(25)**	**(3,891)**
As of 31 March 2011		203,348	3,493	11,299	(1,667)	(5,859)	993	(7,271)	12,288	221,146	**437,770**	**1,588**	**439,358**

Notes to the Consolidated Financial Statements as of 31 March 2012

A) GENERAL ASPECTS

Piaggio & C. S.p.A. (the Company) is a joint-stock company established in Italy at the Register of Companies of Pisa. The main operations of the company and its subsidiaries (the Group) are described in the Report on Operations.
The Condensed Interim Financial Statements are expressed in Euros (€) since that is the currency in which most of the Group's transactions take place. Foreign assets are booked in accordance with currently effective international accounting standards.

1. Scope of consolidation

The scope of consolidation has changed compared to 31 March 2011 due to the establishment of a new company in China on 1 December 2011. As the change is of a limited extent, comparability with data from previous periods has not been affected.
The scope of consolidation has not changed compared to 31 December 2011.

2. Compliance with INTERNATIONAL ACCOUNTING STANDARDS

These Condensed Interim Financial Statements have been drafted in compliance with the International Accounting Standards (IAS/IFRS) in force at that date, issued by the International Accounting Standards Board and approved by the European Commission, as well as in compliance with the provisions established in Article 9 of Legislative Decree no. 38/2005 (Consob Resolution no. 15519 dated 27 July 2006 containing the "Provisions for the presentation of financial statements", Consob Resolution no. 15520 dated 27 July 2006 containing the "Changes and additions to the Regulation on Issuers adopted by Resolution no. 11971/99", Consob communication no. 6064293 dated 28 July 2006 containing the "Corporate reporting required in accordance with Article 114, paragraph 5 of Legislative Decree no. 58/98"). The interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously called the Standing Interpretations Committee ("SIC"), were also taken into account.
In preparing these Condensed Interim Financial Statements, drawn up in compliance with IAS 34 – Interim Financial Reporting, the accounting standards used to prepare the Consolidated Financial Statements as of 31 December 2011 have been adopted.

The preparation of the interim financial statements requires management to make estimates and assumptions which have an impact on the values of revenues, costs, consolidated balance sheet assets and liabilities and on the information regarding contingent assets and liabilities at the date of the interim financial statements. If these management estimates and assumptions should, in future, differ from the actual situation, they will be changed as appropriate in the period in which the circumstances change.

It should also be noted that some assessment processes, in particular more complex ones such as establishing any impairment of fixed assets, are generally undertaken in full only when preparing the annual financial statements, when all the potentially necessary information is available, except in cases where there are indications of impairment which require an immediate assessment of any impairment loss.

The Group’s activities, especially those regarding the two-wheeler segment, are subject to significant seasonal changes in sales during the year.

Income tax is recognised on the basis of the best estimate of the average weighted tax rate for the entire financial period.

2.1. Accounting standards, amendments and interpretations applied as of 1 January 2012

In the first quarter of 2012, there was no first-time application by the Group of new accounting standards, amendments or interpretations.

2.2 Amendments and interpretations effective as from 1 January 2012 and not relevant for the Group

The following amendments and interpretations, applicable as from 1 January 2012, regulate specific cases and case histories which are not present within the Group at the date of these Condensed Interim Financial Statements:

On 20 December 2010 the IASB issued a minor amendment to IAS 12 – *Income Taxes* which requires businesses to measure deferred tax assets and liabilities arising from an asset based on the manner in which the carrying amount of the asset will be recovered (through continual use or sale). Consequently SIC-21 *Income taxes – Recovery of Revalued Non-Depreciable Assets* – will no longer be applicable. The amendment is applicable in a retrospective manner as of 1 January 2012.

2.3 Accounting standards, amendments and interpretations which are not yet applicable and adopted in advance by the Group

On 12 November 2009, the IASB published IFRS 9 – *Financial Instruments* which was later amended on 28 October 2010. The standard, which is applicable from 1 January 2015, in a retrospective manner, represents the first part of a process to entirely phase out and replace IAS 39 with new criteria for classifying and recognising financial assets and liabilities and for eliminating financial assets (derecognition) from the financial statements. In particular the new standard adopts a single approach for financial assets, based on financial instrument management and the characteristics of contractual cash flows of financial assets, to determine measurement criteria, replacing the rules of IAS 39. For financial liabilities instead, the main change concerns the accounting treatment of fair value changes of a financial liability designated as a financial liability measured at fair value in profit in loss, in the case where changes are due to a change in the creditworthiness of the liability. According to this new standard, the changes will be recognised as "Other comprehensive income" and will no longer be recorded in the income statement.

On 12 May 2011 the IASB issued standard IFRS 10 - *Consolidated Financial Statements* which will replace SIC-12 *Consolidation - Special Purpose Entities* and parts of IAS 27 - *Consolidated and Separate Financial Statements* that will be renamed *Separate Financial Statements* and will regulate the accounting treatment of investments in separate financial statements. The new standard deviates from existing standards by identifying the concept of control, according to a new definition, as the determinant factor for the purposes of consolidation of a company in the consolidated financial statements of the parent company. It also provides a guide for determining the existence of control where this is difficult to establish (effective control, potential votes, specific-purpose company, etc.). The standard is applicable in a retrospective manner as of 1 January 2013.

On 12 May 2011 the IASB issued the standard IFRS 11 – *Joint arrangements* which will replace IAS 31 – *Interests in Joint Ventures* and SIC-13 – *Jointly Controlled Entities - Non-Monetary Contributions by Venturers*. The new standard provides methods for identifying joint arrangements based on the rights and obligations under such arrangements rather than their actual legal form and establishes the equity method as the only accounting treatment for jointly controlled entities in consolidated financial statements. The standard is applicable in a retrospective manner as of 1 January 2013. After the issue the standard *IAS 28 – Investments in Associates* was amended to include jointly controlled entities within its field of application, as of the date the standard became effective

On 12 May 2011 the IASB issued standard IFRS 12 – *Disclosure on interests in other entities* which is a new and complete standard on disclosures to provide on all types of investments including in subsidiaries, joint arrangements, associates, special purpose entities and unconsolidated structured entities. The standard is applicable in a retrospective manner as of 1 January 2013.

On 12 May 2011 the IASB issued the standard IFRS 13 – *Fair Value Measurement* which explains how fair value is to be determined for financial statements and applied to all the standards which require it or allow fair value measurement or the disclosure of information based on fair value. The standard shall be applicable as of 1 January 2013.

On 16 June 2011 the IASB issued an amendment to IAS 1 – *Presentation of Financial Statements* to require entities to group all items presented in "Other comprehensive income" based on whether they are potentially reclassifiable to profit or loss. The amendment is applicable to financial years started after or on 1 July 2012.

On 16 June 2011 the IASB issued an amendment to IAS 19 – *Employee Benefits* which eliminates the option of deferring recognition of actuarial gains and losses with the corridor approach, requiring disclosure of the entire provision deficit or surplus in the statement of financial position, and recognition of cost items linked to employment and net borrowing costs in profit and loss, and recognition of actuarial gains and losses resulting from remeasurement of assets and liabilities in "Other comprehensive income”. In addition, the performance of an asset included in net borrowing costs must be calculated based on the discount rate of the liability and no longer on the expected return of the assets. Lastly, the amendment introduces enhanced disclosures to provide in the notes. The amendment is applicable in a retrospective manner from the financial year starting from 1 January 2013.

On 16 December 2011, the IASB issued some amendments to IAS 32 – *Financial Instruments: presentation*, to clarify the use of some criteria for offsetting financial assets and liabilities contained in IAS 32. The amendments are applicable in a retrospective manner for years commencing from or after 1 January 2014.

On 16 December 2011, the IASB issued some amendments to IFRS 7 – *Financial Instruments: Disclosures*.

The amendment requires disclosure on the effects or potential effects of financial assets and liabilities offsetting contracts on the statement of financial position. Amendments are applicable for years commencing from or after 1 January 2013 and for interim periods subsequent to this date. Disclosure shall be provided in a retrospective manner.

At the date of issue of this Annual Report, competent bodies of the European Union had not completed the approval process necessary for the application of these amendments and standards.

OTHER INFORMATION

A specific paragraph in this document provides information on any significant events occurring after the end of the quarter and on the operating outlook.

The following exchange rates were used to translate the financial statements of companies included in the scope of consolidation into euros:

Currency	*Spot exchange rate 31 March 2012*	*Average exchange rate as of 1st Quarter 2012*	*Spot exchange rate 31 December 2011*	*Average exchange rate as of 1st Quarter 2011*
US Dollar	1.3356	1.31100	1.2939	1.36693
Pounds Sterling	0.8339	0.83451	0.8353	0.85323
Indian Rupee	68.042	65.88632	68.713	61.89432
Singapore Dollars	1.6775	1.65731	1.6819	1.74572
Chinese Renminbi	8.4089	8.27018	8.1588	8.99660
Croatian Kuna	7.5125	7.55721	7.537	7.40237
Japanese Yen	109.56	103.98980	100.20	112.51545
Vietnamese Dong	28,039.75	27,594.86003	27,699.67	28,829.94238
Canadian Dollars	1.3311	1.31289	1.3215	1.34778
Indonesian Rupiah	12,245.20	11,901.86097	11,731.50	12,168.87

B) SEGMENT REPORTING

3. Reporting by operating segments

Since 2008 and for all of 2011, the Piaggio Group's organisational structure comprised the “Two-Wheeler” and “Commercial Vehicles” divisions, further broken down into different geographic operating segments.

Since 24 January 2012, the Group's organisation has been based on the geographic areas EMEA and Americas, Asia SEA and India.

Disclosure by operating segments in this document is presented with the new organisational logic of the Piaggio Group, therefore published values for the 1st quarter of 2011 have been reclassified where necessary, to ensure a uniform comparison.

As previously illustrated in comments on the Piaggio Group financial position and performance, **consolidated EBITDA** was defined as the "Operating Income" gross of amortisation of intangible assets and depreciation of plant, property and equipment, as reported within the consolidated income statement.

INCOME STATEMENT BY OPERATING SEGMENTS

		EMEA and Americas	India	Asia SEA	**Total**
Sales volumes (unit/000)	1st Quarter 2012	64.1	50.7	27.5	**142.3**
	1st Quarter 2011	69.9	61.7	17.4	**149.0**
	Change	(5.8)	(11.0)	10.1	**(6.7)**
	Change %	-8.3%	-17.8%	58.0%	**-4.5%**
Net turnover (millions of euro)	1st Quarter 2012	203.8	89.5	49.8	**343.1**
	1st Quarter 2011	209.4	110.0	32.2	**351.7**
	Change	(5.6)	(20.5)	17.6	**(8.6)**
	Change %	-2.7%	-18.7%	54.8%	**-2.4%**
Gross margin (millions of euro)	1st Quarter 2012	60.6	21.1	19.4	**101.0**
	1st Quarter 2011	62.1	28.8	11.7	**102.6**
	Change	(1.5)	(7.7)	7.7	**(1.6)**
	Change %	-2.5%	-26.8%	65.4%	**-1.6%**
EBITDA (millions of Euro)	1st Quarter 2012				**33.0**
	1st Quarter 2011				**33.7**
	Change				**(0.7)**
	Change %				**-2.1%**
EBIT (millions of Euro)	1st Quarter 2012				**13.0**
	1st Quarter 2011				**12.2**
	Change				**0.8**
	Change %				**6.6%**
Net income (millions of Euro)	1st Quarter 2012				**3.2**
	1st Quarter 2011				**3.0**
	Change				**0.2**
	Change %				**7.6%**

C) INFORMATION ON THE CONSOLIDATED INCOME STATEMENT

4. Net revenues €/000 343,122

Revenues are shown net of premiums recognised to customers (dealers).

This item does not include transport costs, which are recharged to customers (€/000 5,974) and invoiced advertising cost recoveries (€/000 1,079), which are posted under other operating income.

The revenues for disposals of Group core business assets essentially refer to the marketing of vehicles and spare parts on European and non-European markets.

Revenues by geographic segment

The breakdown of revenues by geographical segment is shown in the following table:

In thousands of Euro	1st Quarter 2012		1st Quarter 2011		Changes	
	Amount	%	Amount	%	Amount	%
EMEA and Americas	203,797	59.4	209,446	59.6	(5,649)	-2.7
India	89,512	26.1	110,046	31.3	(20,534)	-18.7
ASIA SEA	49,813	14.5	32,187	9.2	17,626	54.8
Total	**343,122**	**100.0**	**351,679**	**100.0**	**(8,557)**	**-2.4**

In the first quarter of 2012 net sales revenues decreased slightly compared to figures for the same period of the previous year. The increases recorded on the Asian market offset the downturns on the European and Indian markets.

5. Costs for materials €/000 201,475

These totalled €/000 201,475 compared to €/000 211,901 in the first quarter of 2011.

The percentage of costs accounting for net revenues went down from 60.3% in the first quarter of 2011 to 58.7% in the current period, due to the lower impact of the total production of commercial vehicles, particularly those relative to the Indian market, where the percentage accounting for turnover was higher than the Group average, considering the lower impact of manpower.

This item includes €/000 6,737 for costs relative to purchases of scooters from the Chinese subsidiary Zongshen Piaggio Foshan, which are sold on European and Asian markets.

6. Costs for services and lease and rental costs €/000 65,789

In the first quarter of 2012, this item totalled €/000 65,789, going up by €/000 916 compared to figures for the first quarter of 2011, following expansion of the scope of consolidation to include Piaggio Indonesia, a company established at the end of March 2011.

7. Employee costs €/000 61,854

Employee costs decreased in absolute terms by €/000 2,351 compared to figures for the first quarter of the previous year (- 3.7%), despite an increase in the average number of staff, following expansion of production capacity at the Indian and Vietnam sites. Employee costs include €/000 171 relating to stock option costs which were recorded in accordance with international accounting standards.

Below is a breakdown of the headcount by actual number and average number:

	Average number		
Level	*1st Quarter 2012*	*1st Quarter 2011*	*Change*
Senior Management	95	103	(8)
Middle Management	567	487	80
White collars	2,174	2,083	91
Intermediate/blue collars	5,288	4,852	436
Total	**8,124**	**7,525**	**599**

	Number as of		
Level	*31 March 2012*	*31 December 2011*	*Change*
Senior Management	95	97	(2)
Middle Management	570	515	55
White collars	2,161	2,127	34
Intermediate/blue collars	5,504	4,880	624
Total	**8,330**	**7,619**	**711**

Average employee numbers were affected by seasonal workers in the summer (on fixed-term employment contracts).
In fact the Group uses fixed-term employment contracts to handle typical peaks in demand in the summer months.

8. Amortisation, depreciation and impairment costs **€/000 19,983**

As from 1 January 2004 goodwill is not amortised but tested annually for impairment.
The impairment test carried out as of 31 December 2011 confirmed the full recoverability of the amounts recorded in the financial statements.
Amortisation/depreciation under the item "Concessions, licences, trademarks and similar rights" includes €/000 1,497 of amortisation for the Aprilia brand and €/000 762 for the Guzzi brand.

9. Other operating income **€/000 23,656**

Other operating income decreased by €/000 2,623 compared to figures for the first quarter of 2011.
The downturn is mainly due to the decrease in revenues from licence rights.
The item includes some recovered expenses, and mainly costs for transport and commercial costs charged to customers, of which expenses are classified under "services".

10. Other operating costs **€/000 4,638**

Overall, other operating costs increased by €/000 1,383. This change is mainly due to higher write-downs and allocations to provisions for risks compared to the previous year.

11. Net income from investments **€/000 1,056**

This item mainly refers to the equity valuation of the investment in the Zongshen Piaggio Foshan joint venture.

12. Net financial income (charges) **€/000 (8,266)**

The balance of financial income (charges) in the first quarter of 2012 was negative (- €/000 8,266), registering an increase compared to the negative value (- €/000 6,548) of the same period of the previous year. This negative performance is related to the increase in debt along with an increase in the cost of funding and charges incurred to refinance debt, partially offset by the positive impact of currency operations.

13. Taxes **€/000 2,623**

Taxes for the first quarter of 2012, determined on the basis of IAS 34, are estimated to be equal to €/000 2,623, accounting for 45% of earnings before tax, equal to the best estimate of the average weighted rate expected for the entire year.

14. Gain/(loss) from assets held for disposal or sale **€/000 0**

At the end of the reporting period, there were no gains or losses from assets held for disposal or sale.

15. Earnings per share

Earnings per share are calculated as follows:

		1st Quarter 2012	*1st Quarter 2011*
Net income	€/000	3,206	2,970
Earnings attributable to ordinary shares	€/000	3,206	2,970
Average number of ordinary shares in circulation at		371,793,901	371,793,901
Earnings per ordinary share	€	0.009	0.008
Adjusted average number of ordinary shares		372,418,030	374,504,617
Diluted earnings per ordinary share	€	0.009	0.008

The potential effects deriving from stock option plans were considered when calculating diluted earnings per share.

D) INFORMATION ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION - ASSETS

16. Intangible assets €/000 652,779

The table below shows the breakdown of intangible assets as of 31 March 2012 and 31 December 2011, as well as movements during the period.

In thousands of Euro	*Development costs*	*Patent rights*	*Concessions, licences and trademarks*	*Goodwill*	*Other*	*Total*
Historical cost	142,680	204,017	148,296	557,322	5,028	1,057,343
Provisions for write-down		0	0	0	0	0
Accumulated depreciation	(57,297)	(160,811)	(75,961)	(110,382)	(3,472)	(407,923)
Assets as of 31/12/2011	**85,383**	**43,206**	**72,335**	**446,940**	**1,556**	**649,420**
Investments	13,393	1,316			60	14,769
Depreciation	(4,989)	(3,893)	(2,260)		(187)	(11,329)
Disposals	(425)	(23)				(448)
Write-downs						0
Exchange differences	331	(20)			(29)	282
Other movements	(79)	0			164	85
Total changes	**8,231**	**(2,620)**	**(2,260)**	**0**	**8**	**3,359**
Historical cost	155,891	205,284	148,296	557,322	5,165	1,071,958
Provisions for write-down		0	0	0	0	0
Accumulated depreciation	(62,277)	(164,698)	(78,221)	(110,382)	(3,601)	(419,179)
Assets as of 31/03/2012	**93,614**	**40,586**	**70,075**	**446,940**	**1,564**	**652,779**

Increases mainly refer to the capitalisation of development costs for new products and new engines, as well as the purchase of software.

17. Property, plant and machinery €/000 280,997

The table below shows the breakdown of plant, property and equipment as of 31 March 2012 and 31 December 2011, as well as movements during the period.

In thousands of Euro	*Land*	*Buildings*	*Plants and machinery*	*Equipment*	*Other assets*	*Total*
Historical cost	31,586	150,013	360,090	480,022	43,958	1,065,669
Reversals						
Provisions for write-down				(1,339)		(1,339)
Accumulated depreciation		(46,950)	(266,346)	(439,050)	(37,113)	(789,459)
Assets as of 31/12/2011	**31,586**	**103,063**	**93,744**	**39,633**	**6,845**	**274,871**
Investments		3,371	7,546	3,626	635	15,178
Depreciation		(1,035)	(3,339)	(3,840)	(440)	(8,654)
Disposals		0	(2)	0	(27)	(29)
Write-downs						0
Exchange differences		34	244	(20)	(12)	246
Other movements		(770)	(11)	(2)	168	(615)
Total changes	**0**	**1,600**	**4,438**	**(236)**	**324**	**6,126**
Historical cost	31,586	152,656	367,952	483,608	44,881	1,080,683
Reversals						0
Provisions for write-down				(1,339)	(192)	(1,531)
Accumulated depreciation		(47,993)	(269,770)	(442,872)	(37,520)	(798,155)
Assets as of 31/03/2012	**31,586**	**104,663**	**98,182**	**39,397**	**7,169**	**280,997**

The increases mainly refer to moulds for new vehicles launched during the period, as well as to expansion of the production sites in India and Vietnam.

Guarantees

As of 31 March 2012 the Group owned land and buildings encumbered by mortgage liens or privileges in favour of banks to secure loans obtained in previous years.

18. Investment Property **€/000 0**

As of 31 March 2012 no investment property was held.

19. Investments **€/000 3,532**

The Investments heading comprises:

In thousands of Euro	*As of 31 March 2012*	*As of 31 December 2011*	*Change*
Investments in subsidiaries			
Interests in Joint Ventures	3,338	2,288	1,050
Investments in affiliated companies	194	194	0
Total	**3,532**	**2,482**	**1,050**

The value of investments in joint ventures refers to the valuation of the portion of shareholders' equity in the Zongshen Piaggio Foshan joint venture, held by the Group.

20. Other non-current financial assets **€/000 9,156**

In thousands of Euro	*As of 31 March 2012*	*As of 31 December 2011*	*Change*
Financial receivables due from affiliated companies			
Fair Value of hedging derivatives	8,991	11,639	(2,648)
Financial receivables due from third parties		32	(32)
Investments in other companies	165	165	0
Total	**9,156**	**11,836**	**(2,680)**

The item "Fair value of hedging derivatives" refers to €/000 7,032 from the fair value of the cross currency swap relative to a private debenture loan, to €/000 1,724 from the fair value of the cross currency swap relative to a medium-term loan of the Indian subsidiary and to €/000 235 from the fair value of the cross currency swap relative to a medium-term loan of the Vietnamese subsidiary.

The item investments in other companies did not change compared to figures of the previous year.

21. Current and non-current tax receivables **€/000 32,159**

Receivables due from tax authorities consist of:

In thousands of Euro	*As of 31 March 2012*	*As of 31 December 2011*	*Change*
VAT receivables	30,368	26,873	3,495
Tax receivables on income	1,031	645	386
Other receivables due from the public authorities	760	703	57
Total tax receivables	**32,159**	**28,221**	**3,938**

Non-current tax receivables amounted to €/000 1,118 compared to €/000 976 as of 31 December 2011, while current receivables amounted to €/000 31,041 compared to €/000 27,245 as of 31 December 2011, mainly due to the increase in VAT receivables of the subsidiary in India.

22. Deferred tax assets **€/000 57,557**

Deferred tax assets totalled €/000 57,557, up on the figure of €/000 55,726 as of 31 December 2011. The item "deferred tax assets" primarily includes deferred tax assets, largely referring to the cancellation of unrealised intercompany capital gains with third parties, deferred tax assets on the tax losses of the Parent Company and Nacional Motor S.A. as well as prepaid taxes on temporary differences of the Parent. As part of measurements to define deferred tax assets, the Group mainly considered the following:

1. tax regulations of countries where it operates, the impact of regulations in terms of temporary differences and any tax benefits arising from the use of previous tax losses, considering payment dates;
2. the business results expected for each company, in the mid term, and the economic and tax effects arising from implementation of the organisational structure.

In view of these considerations, and with a prudential approach, it was decided to not wholly recognise the tax benefits arising from losses that can be carried over and from temporary differences.

23. Current and non-current trade receivables **€/000 124,990**

As of 31 March 2012 current trade receivables amounted to €/000 124,990 compared to €/000 65,560 as of 31 December 2011. This increase is mainly due to the seasonal nature of the Two-Wheeler market.
No non-current trade receivables were recorded for either period.

Their breakdown was as follows:

In thousands of Euro	As of 31 March 2012	As of 31 December 2011	Change
Trade receivables	123,164	63,107	60,057
Receivables due from Group companies valued at Equity	1,794	2,408	(614)
Receivables due from the Parent Company			0
Receivables due from affiliated companies	32	45	(13)
Total	**124,990**	**65,560**	**59,430**

Receivables due from Group companies valued at equity comprise amounts due from Zongshen Piaggio Foshan.

Receivables due from affiliated companies include amounts due from the Fondazione Piaggio (Foundation) and Immsi Audit.

The item "Trade receivables" comprises receivables referring to normal sale transactions, recorded net of provisions for risks of €/000 26,335.

The Group sells a large part of its trade receivables with and without recourse. The Piaggio Group has signed contracts with some of the most important Italian and foreign factoring companies as a move to optimise the monitoring and the management of its trade receivables, besides offering its customers an instrument for funding their own inventories. As of 31 March 2012, trade receivables still due sold without recourse totalled €/000 114,868, of which the Group received payment prior to the natural maturity of the receivables for €/000 88,784. As of 31 March 2012 receivables with recourse from factoring companies and banks totalled €/000 17,950 with a counter entry recorded in current liabilities.

24. Other current and non-current receivables €/000 45,228

Other non-current receivables totalled €/000 17,270 against €/000 15,165 as of 31 December 2011, whereas other current receivables totalled €/000 27,958 compared to €/000 28,028 as of 31 December 2011. They consist of:

In thousands of Euro	As of 31 March 2012	As of 31 December 2011	Change
Other non-current receivables:			
Due from Group companies valued at equity	138	138	0
Due from associated companies	267	267	0
Prepaid expenses	13,019	12,265	754
Advances to employees	105	99	6
Security deposits	448	324	124
Due from others	3,293	2,072	1,221
Total non-current portion	**17,270**	**15,165**	**2,105**

Receivables due from Group companies valued at equity comprise amounts due from AWS do Brasil.

Receivables due from affiliated companies regard amounts due from the Fondazione Piaggio (Foundation).

In thousands of Euro	*As of 31 March 2012*	*As of 31 December 2011*	*Change*
Other current receivables:			
Receivables due from the Parent Company	6,288	6,259	29
Receivables due from Group companies valued at equity	137	140	(3)
Receivables due from affiliated companies	71	57	14
Accrued income	3,060	2,941	119
Prepaid expenses	3,535	2,026	1,509
Advance payments to suppliers	572	2,543	(1,971)
Advances to employees	692	576	116
Fair Value of hedging derivatives	636	987	(351)
Security deposits	270	203	67
Receivables due from others	12,697	12,296	401
Total current portion	**27,958**	**28,028**	**(70)**

Receivables due from the Parent Company regard the assignment of tax receivables that took place within the group consolidated tax procedure.

Receivables due from Group companies valued at equity comprise amounts due from Zongshen Piaggio Foshan.

Receivables due from affiliated companies regard amounts due from the Fondazione Piaggio (Foundation).

The item Fair Value of hedging derivatives refers mainly to the fair value of derivatives to hedge the exchange risk on forecast transactions recognised on a cash flow hedge basis.

25. Inventories €/000 267,986

This item comprises:

In thousands of Euro	*As of 31 March 2012*	*As of 31 December 2011*	*Change*
Raw materials and consumables	138,972	103,126	35,846
Provisions for write-down	(13,716)	(13,152)	(564)
Net value	*125,256*	*89,974*	35,282
Work in progress and semifinished products	16,405	23,246	(6,841)
Provisions for write-down	(852)	(852)	0
Net value	*15,553*	*22,394*	(6,841)
Finished products and goods	152,062	150,649	1,413
Provisions for write-down	(25,059)	(26,160)	1,101
Net value	*127,003*	*124,489*	2,514
Advances	*174*	*131*	43
Total	**267,986**	**236,988**	**30,998**

26. Other current financial assets **€/000 7,216**

This item comprises:

In thousands of Euro	*As of 31 March 2012*	*As of 31 December 2011*	*Change*
Investments in securities	7,216	-	7,216
Total	**7,216**	**0**	**7,216**

The item securities refers to portions of liquidity funds acquired by the subsidiary Piaggio Vehicles Private Ltd.

27. Cash and cash equivalents **€/000 107,499**

The item, which mainly includes short-term and on demand bank deposits, is broken down as follows:

In thousands of Euro	*As of 31 March 2012*	*As of 31 December 2011*	*Change*
Bank and postal deposits	107,105	151,394	(44,289)
Cash on hand	96	52	44
Securities	298	441	(143)
Total	**107,499**	**151,887**	**(44,388)**

The item securities as of 31 March 2012 refers to portions of liquidity funds acquired by the subsidiary Piaggio Vehicles Private Ltd.

28. Assets held for sale **€/000 0**

As of 31 March 2012, there were no assets held for sale.

INFORMATION ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION - LIABILITIES

29. Share capital and reserves **€/000 448,557**

Share capital €/000 201,986

During the period, share capital changed, following the purchase of 401,062 treasury shares. This is broken down as follows:

In thousands of Euro	
Subscribed and paid up capital	205,941
Treasury shares as of 31/12/2011	(3,732)
Acquisition of treasury shares in the period	(223)
Share capital as of 31 March 2012	201,986

As of 31 March 2012 the Parent Company held 7,245,142 treasury shares, equal to 1.9% of the share capital.
In accordance with international accounting standards, the acquisitions were recognised as a decrease of shareholders' equity.

As of 31 March 2011, according to the shareholder ledger and notices received pursuant to article 120 of Legislative Decree no. 58/1998 and other information available, the following shareholders held voting rights, either directly or indirectly, exceeding 2% of the share capital:

Declarer	Direct shareholder	% of ordinary share capital	% of shares with voting rights
Omniaholding S.p.A.	IMMSI S.p.A.	**53.048**	**53.048**
	Omniaholding S.p.A.	0.027	0.027
	Total	**53.075**	**53.075**
Diego della Valle	Diego della Valle & C. S.a.p.a.	5.336	5.336
	Total	**5.336**	**5.336**
Financiere de l'Echiquier	Financiere de l'Echiquier	5.050	5.050
	Total	**5.050**	**5.050**

Share premium reserve €/000 3,493

The share premium reserve as of 31 March 2012 was unchanged and equal to €/000 3,493.

Legal reserve €/000 12,241

The legal reserve as of 31 March 2012 was unchanged compared to the previous year.

Other provisions €/000 (6,912)

This item consists of:

In thousands of Euro	*As of 31 March 2012*	*As of 31 December 2011*	*Change*
Translation reserve	(12,882)	(13,087)	205
Stock option reserve	12,871	12,700	171
Financial instruments' fair value reserve	(2,035)	(1,510)	(525)
IFRS transition reserve	(5,859)	(5,859)	0
Total other provisions	*(7,905)*	*(7,756)*	*(149)*
Consolidation reserve	993	993	0
Total	**(6,912)**	**(6,763)**	**(149)**

The financial instruments fair value provision is negative by €/000 2,035 and refers to the effects of cash flow hedge accounting in foreign currencies, interest and specific business transactions. These transactions are described in full in the note on financial liabilities.

The consolidation reserve was generated after the acquisition - in the month of January 2003 - of the shareholding in Daihatsu Motor Co. Ltd in P&D S.p.A., equal to 49% of the share capital, by Piaggio & C. S.p.A.

Performance reserve €/000 236,568

Non-controlling interests capital and reserves €/000 1,181

The end of period amount refers to minority interest in Piaggio Hrvatska Doo.

Other net income (losses) €/000 (525)

The value of Other net income (losses) consists of:

In thousands of Euro	*1st Quarter 2012*	*1st Quarter 2011*	*Change*
The effective portion of net income (losses) on cash flow hedging instruments generated in the period	(411)	(1,339)	928
The effective portion of net income (losses) on cash flow hedging instruments reclassified in the consolidated income statement	(114)	(101)	(13)
Effective portion of profits (losses) on cash flow hedges	**(525)**	**(1,440)**	**915**

30. Current and non-current financial liabilities **€/000 545,591**

During the first quarter of 2012, the Group's overall debt increased by €/000 46,130, going up from €/000 499,461 to €/000 545,591. Total financial debt of the Group in 2012, net of the fair value measurement of financial derivatives to hedge foreign exchange risk and interest rate risk and adjustment of relative hedged items, as of 31 March 2012, increased by €/000 49,341.

	Financial liabilities as of 31 March 2012			Financial liabilities as of 31 December 2011			Change		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
In thousands of Euro									
Gross financial debt	133,407	403,720	537,127	170,261	317,525	487,786	(36,854)	86,195	49,341
Fair Value of hedging derivatives		8,464	8,464		11,675	11,675		(3,211)	(3,211)
Total	**133,407**	**412,184**	**545,591**	**170,261**	**329,200**	**499,461**	**(36,854)**	**82,984**	**46,130**

This increase is mainly due to the seasonal effect of the Two-Wheeler market which, as is well-known, uses resources in the first part of the year and generates them in the second half. The Group's net debt totalled €/000 422,412 as of 31 March 2012 compared to €/ 000 335,899 as of 31 December 2011, as indicated in the table on Net Debt included in the financial statements. Non-current financial liabilities totalled €/000 403,720 against €/000 317,525 as of 31 December 2011, whereas current financial liabilities totalled €/000 133,407 compared to €/000 170,261 as of 31 December 2011.

The attached tables summarise the breakdown of financial debt as of 31 March 2012 and as of 31 December 2011, as well as changes for the period.

In thousands of Euro	*Book value As of 31/12/2011*	*Repayments*	*New issues*	*Reclassification to the current portion*	*Exchange delta*	*Other changes*	*Book value As of 31/03/2012*
Non-current portion:							
Bank financing	112,768		105,000	(14,471)	(60)	(3,137)	200,100
Bonds	191,859					55	191,914
Other medium-/long-term loans:							
of which leasing	*6,745*			*(230)*			*6,515*
of which amounts due to other lenders	*6,153*			*(962)*			*5,191*
Total other loans	12,898	0	0	(1,192)	0	0	11,706
Total	**317,525**	**0**	**105,000**	**(15,663)**	**(60)**	**(3,082)**	**403,720**

In thousands of Euro	*Book value As of 31/12/2011*	*Repayments*	*New issues*	*Reclassification to the current portion*	*Exchange delta*	*Other changes*	*Book value As of 31/03/2012*
Current portion:							
Current account overdrafts	85		8,059				8,144
Current account payables	22,864	(2,218)	25,000		(770)		44,876
Bonds	-						-
Payables due to factoring companies	20,085	(2,135)					17,950
Current portion of medium-/long-term loans:							
of which leasing	*894*	*(219)*		*230*			*905*
of which due to banks	*122,428*	*(79,469)*		*14,471*		*226*	*57,656*
of which amounts due to other lenders	*3,905*	*(991)*		*962*			*3,876*
Total other loans	127,227	(80,679)	0	15,663	0	226	62,437
Total	**170,261**	**(85,032)**	**33,059**	**15,663**	**(770)**	**226**	**133,407**

Medium and long-term bank debt amounts to €/000 257,756 (of which €/000 200,100 non-current and €/000 57,656 current) and consists of the following loans:

- a €/000 85,714 medium-term loan from the European Investment Bank to finance Research & Development investments planned for the period 2009-2012. The loan will fall due in February 2016 and has an initial amortisation quota of 14 six-monthly instalments to be repaid at a variable rate equal to the six-month Euribor plus a spread of 1.323%. The contractual terms envisage loan covenants but exclude guarantees. It should be noted that, with reference to the 2011 period, these parameters were comfortably met. An Interest Rate Swap has been taken out on this loan to hedge the interest rate risk;
- a medium-term revolving syndicated loan of €/000 97,135 (nominal value of €/000 100,000) granted in December 2011 and finalised in January 2012, as suspension conditions had been met. The loan, of a total value of €/000 200,000, is for 4 years and was undersigned to refinance the existing equivalent loans which are near maturity. The contractual terms envisage loan covenants but exclude guarantees. It should be noted that, with reference to the 2011 period, these parameters were comfortably met.
- a medium-term revolving syndicated loan of €/000 4,706 (nominal value of €/000 5,000) granted by Monte dei Paschi di Siena in December 2011 and finalised in January 2012, as suspension conditions had been met. The loan, of a total value of €/000 40,000, is for 18 years minus one day and was undersigned to refinance existing equivalent loans which are near maturity. The contractual terms envisage loan covenants but exclude guarantees. It should be noted that, with reference to the 2011 period, these parameters were comfortably met.
- a €/000 28,415 (nominal value of €/000 28,500) loan from Mediobanca and Banca Intesa San Paolo, syndicated to a small pool of banks, maturing in December 2012. The loan consisted of an initial *instalment* of €/000 150,000 (nominal value) which has been fully drawn on (as of 31 March 2012 €/000 28,500 was still due) and a second instalment of €/000 100,000 to be used as a credit line which the Parent Company, in January 2012, waived in advance of maturity. Guarantees are not issued. However in line with market practice, some financial parameters must

be complied with. It should be noted that, in reference to the 2011 period, these parameters were comfortably met;

- a €/000 9,375 five-year unsecured loan from GE Capital Interbanca stipulated in September 2008;
- €/000 4,277 of loans from various banks pursuant to Law no. 346/88 on subsidised applied research;
- a €/000 1,500 eight-year subsidised loan from ICCREA in December 2008 granted under Law 100/90;
- a €/000 12,207 (nominal value €/000 12,435) medium-term loan for USD/000 19,000 granted by International Finance Corporation (a World Bank member) to the subsidiary Piaggio Vehicles Private Limited on which interest matures at a variable rate plus a margin of 2.55%. The loan will fall due on 15 January 2018 and has an amortisation quota of six-monthly instalments from January 2014. A guarantee has been provided by the Parent Company and, in line with market practice, some financial parameters must be met. It should be noted that, with reference to the 2011 period, these parameters were comfortably met. In March 2012, an addendum to the contract was signed, in which an additional $/000 17,850 were granted. Cross currency swaps have been taken out on this loan to hedge the exchange risk and interest rate risk;
- a €/000 14,427 (nominal value €/000 14,754) medium-term loan for USD/000 19,680 granted by International Finance Corporation to the subsidiary Piaggio Vietnam on which interest matures at a variable rate plus a margin of 2.55%. The loan will fall due on 15 July 2018 and has an amortisation quota of six-monthly instalments from July 2014. A guarantee has been provided by the Parent Company and, in line with market practice, some financial parameters must be met. It should be noted that, with reference to the 2011 period, these parameters were comfortably met. Cross currency swaps have been taken out on this loan to hedge the exchange risk and interest rate risk.

The item Bonds for €/000 191,914 (nominal value of €/000 201,799) refers to:

- €/000 140,487 (nominal value of €/000 150,000) relative to a high-yield debenture loan issued on 4 December 2009 for a nominal amount of €/000 150,000, falling due on 1 December 2016 and with a semi-annual coupon with fixed annual nominal rate of 7%. Standard & Poor’s and Moody’s confirmed their ratings in 2011 of BB with a negative outlook and Ba2 with a stable outlook;
- €/000 51,427 (nominal value of €/000 51,799) relative to a private debenture loan (*US Private Placement*) issued on 25 July 2011 for $/000 75,000 wholly subscribed by an American institutional investor, payable in 5 annual portions from July 2017, with a semi-annual coupon with fixed annual nominal rate of 6.50%. As of 31 March 2012 the fair value measurement of the debenture loan was equal to €/000 58,687. A Cross Currency Swap has been taken out on this loan to hedge the exchange risk and interest rate risk.

The items Medium/long term bank debt and Bonds include loans treated, in accounting terms, on an amortised cost basis (revolving loans, Mediobanca/Intesa syndicate, International Finance Corporation loans, high-yield debenture loan and private debenture loan). According to this criterion, the nominal amount of the liability is decreased by the amount of relative costs of issue and/or stipulation, in addition to any costs relating to refinancing of previous liabilities. The amortisation/depreciation of these costs is determined on an effective interest rate basis, and namely the rate which discounts the future flows of interest payable and reimbursements of capital at the net carrying amount of the financial liability. Some liabilities were recognised at fair value, with relative effects recognised as profit and loss.

Medium-/long-term payables due to other lenders equal to €/000 16,487 of which €/000 11,706 due after the year and €/000 4,781 as the current portion, detailed as follows:

- a property lease for €/000 7,420 granted by Unicredit Leasing (non-current portion equal to €/000 6,515);
- subsidised loans for a total of €/000 9,067 provided by the Italian Ministry of Economic Development and Italian Ministry of Education using regulations to encourage exports and investment in research and development (non-current portion of €/000 5,191).

Financial advances received from factoring companies and banks, on the sale of trade receivables with recourse, total €/000 17,950.

<u>Financial instruments</u>

Exchange Risk

The Group operates in an international context where transactions are conducted in currencies different from Euro. This exposes the Group to risks arising from exchange rates fluctuations. In 2005, the Group adopted an exchange rate risk management policy which aims to neutralise the possible negative effects of the changes in exchange rates on company *cash-flows*.

This policy analyses:

- The exchange risk: the policy wholly covers this risk which arises from differences between the recognition exchange rate of receivables or payables in foreign currency in the financial statements and the recognition exchange rate of actual collection or payment. To cover this type of exchange risk, the exposure is naturally offset in the first place (netting between sales and purchases in the same currency) and if necessary, by signing currency future derivatives, as well as advances of receivables denominated in currency.

As of 31 March 2012, Piaggio & C. S.p.A. had forward purchase contracts (recognised on a regulation date basis):

- for a value of CHF/000 550 corresponding to €/000 456 (valued at the forward exchange rate), with average maturity on 30 April 2012;
- for a value of GBP/000 3,200 corresponding to €/000 3,826 (valued at the forward exchange rate), with average maturity on 31 May 2012;
- for a value of JPY/000 230,000 corresponding to €/000 2,140 (valued at the forward exchange rate), with average maturity on 14 May 2012;
- for a value of USD/000 7,280 corresponding to €/000 5,494 (valued at the forward exchange rate), with average maturity on 18 April 2012;

and forward sales contracts:

- for a value of CAD/000 1,150 corresponding to €/000 872 (valued at the forward exchange rate), with average maturity on 7 June 2012;
- for a value of GBP/000 2,980 corresponding to €/000 3,551 (valued at the forward exchange rate), with average maturity on 5 June 2012;
- for a value of JPY/000 45,000 corresponding to €/000 411 (valued at the forward exchange rate), with average maturity on 3 May 2012;
- for a value of SEK/000 1,000 corresponding to €/000 113 (valued at the forward exchange rate), with average maturity on 31 May 2012;
- for a value of SGD/000 180 corresponding to €/000 109 (valued at the forward exchange rate), with average maturity on 16 April 2012;
- for a value of USD/000 4,950 corresponding to €/000 3,747 (valued at the forward exchange rate), with average maturity on 22 May 2012;

Details of other operations ongoing at other Group companies are given below:

- for PT Piaggio Indonesia purchases for €/000 2,360, with average maturity on 25 April 2012;
- for Piaggio Vietnam purchases for €/000 38,623, with average maturity on 22 April 2012;
- for Piaggio Vehicles Private Limited purchases for USD/000 1,100 with average maturity on 29 June 2012 and purchases for €/000 10,000 with average maturity on 17 June 2012. As regards sales transactions, sales for USD/000 3,056 were ongoing with average maturity on 5 May 2012;
- for Piaggio Group Americas purchases for €/000 1,700 each, with average maturity on 30 April 2012;

- The settlement exchange risk: arises from the conversion into euro of the financial statements of subsidiaries prepared in currencies other than the euro during consolidation. The policy adopted by the Group does not require this type of exposure to be covered.

- The business risk: arises from changes in company profitability in relation to annual figures planned in the economic budget on the basis of a reference change (the "budget change") and is covered by derivatives. The items of these hedging operations are therefore represented by foreign costs and revenues forecast by the sales and purchases budget. The total of forecast costs and revenues is processed monthly and relative hedging is positioned exactly on the average weighted date of the economic event, recalculated based on historical criteria. The economic occurrence of future receivables and payables will occur during the budget year.

As of 31 March 2012, the Group had the following transactions to hedge the business risk:

- for a value of CNY/000 127,000 corresponding to €/000 14,603 (valued at the forward exchange rate), with average maturity on 17 July 2012;
- sales for a value of GBP/000 10,800 corresponding to €/000 12,723 (valued at the forward exchange rate), with average maturity on 1 July 2012.

To hedge the business risk alone, cash flow hedging is adopted with the effective portion of profits and losses recognised in a specific shareholders' equity reserve. Fair value is determined based on market quotations provided by main traders.
As of 31 March 2012 the total fair value of hedging instruments for business risk recognised on a hedge accounting basis was equal to €/000 293.

Interest rate risk

This risk arises from fluctuating interest rates and the impact this may have on future cash flows arising from financial assets and liabilities. The Group regularly measures and controls its exposure to interest rates changes and manages such risks also resorting to derivative instruments, mainly Interest Rate Swaps and Cross Currency Swaps, as established by its own management policies.
As of 31 March 2012, the following hedging derivatives were in use:

- an interest rate swap to cover a variable rate loan for a nominal amount of €/000 117,857 (as of 31 March 2011 for €/000 85,714) granted by the European Investment Bank. The structure has fixed step-up rates, in order to stabilise financial flows associated with the loan; in accounting terms, the instrument is recognised on a cash flow hedge basis, with profits/losses arising from the fair value measurement allocated to a specific reserve in shareholders' equity; As of 31 March 2012 the fair value of the instrument was equal to €/000 -3,348.
- A cross currency swap to hedge the private debenture loan issued by the Parent Company for a nominal amount of $/000 75,000. The purpose of the instrument is to hedge both the exchange risk and interest rate risk, turning the loan from US dollars to Euro, and from a fixed rate to a variable rate; the instrument is accounted for on a fair value hedge basis, with effects arising from the measurement recognised as profit and loss. As of 31 March 2012 the fair value of the instrument was equal to €/000 7,032.

- a cross currency swap to hedge a loan relative to the Indian subsidiary for $/000 19,000 granted by International Finance Corporation. The purpose of the instrument is to hedge the exchange risk and interest rate risk, turning the loan from US dollars to Indian Rupees, and for approximately 50% of the nominal value, from a fixed rate to a variable rate. As of 31 March 2012 the fair value of the instrument was equal to €/000 1,724.

- a cross currency swap to hedge a loan relative to the Vietnamese subsidiary for $/000 19,680 granted by International Finance Corporation. The purpose of the instrument is to hedge the exchange risk and partially hedge the interest rate risk, turning the loan from US dollars at a fixed rate into Vietnamese Dong at a fixed rate, except for a minor portion (24%) at a variable rate. As of 31 March 2012 the fair value of the instrument was equal to €/000 46.

	FAIR VALUE
PIAGGIO & C. S.P.A.	
Interest Rate Swap	(3,348)
Cross Currency Swap	7,032
Piaggio Vehicles Private Limited	
Cross Currency Swap	1,724
Piaggio Vietnam	
Cross Currency Swap	46

31. Current and non-current trade payables €/000 393,288

As of 31 March 2012 non-current trade payables totalled €/000 234 compared to €/000 235 as of 31 December 2011. Current trade payables totalled €/000 393,054, against €/000 375,263 as of 31 December 2011.

In thousands of Euro	*As of 31 March 2012*	*As of 31 December 2011*	*Change*
Amounts due to suppliers	378,222	356,595	21,627
Trade payables due to companies valued at equity	14,540	18,124	(3,584)
Amounts due to affiliated companies	142	-	142
Amounts due to parent companies	384	779	(395)
Total	**393,288**	**375,498**	**17,790**

32. Current and non-current portions of provisions <u>€/000 25,561</u>

The breakdown and changes in provisions for risks during the period were as follows:

In thousands of Euro	*Balance as of 31 December 2011*	*Allocations*	*Applications*	*Reclassifications*	*Delta exchange rate*	*Balance as of 31 March 2012*
Provision for product warranties	14,735	2,749	(2,473)		(35)	14,976
Provision for quality-related events	392					392
Risk provisions on investments	195					195
Provision for contractual risks	3,993					3,993
Provisions for guarantee risks	76					76
Provision for tax risks	36					36
Other provisions for risks	6,117		(121)		(103)	5,893
Total	**25,544**	**2,749**	**(2,594)**	**0**	**(138)**	**25,561**

The breakdown between the current and non-current portion of long-term provisions is as follows:

In thousands of Euro	*As of 31 March 2012*	*As of 31 December 2011*	*Change*
<u>Non-current portion:</u>			
Provision for product warranties	4,770	4,523	247
Provision for quality-related events	242	242	0
Risk provisions on investments	195	195	0
Provision for contractual risks	3,993	3,993	0
Provisions for guarantee risks			0
Provision for tax risks			0
Other provisions for risks and charges	3,336	3,476	(140)
Total non-current portion	**12,536**	**12,429**	**107**

In thousands of Euro	*As of 31 March 2012*	*As of 31 December 2011*	*Change*
<u>Current portion:</u>			
Provision for product warranties	10,206	10,212	(6)
Provision for quality-related events	150	150	0
Risk provisions on investments			
Provision for contractual risks			
Provisions for guarantee risks	76	76	0
Provision for tax risks	36	36	0
Other provisions for risks and charges	2,557	2,641	(84)
Total current portion	**13,025**	**13,115**	**(90)**

The product warranty provision relates to allocations for technical assistance on products covered by customer service which are estimated to be provided over the contractually envisaged warranty period.

This period varies according to the type of goods sold and the sales market, and is also determined by customer take-up to commit to a scheduled maintenance plan.
The provision increased during the period by €/000 2,749 and was used for €/000 2,473 in relation to charges incurred during the period.
The provision for quality-related events covers possible costs that could arise as a result of faulty components provided by suppliers.
Risk provisions for investments cover the portion of negative shareholders' equity of the subsidiaries Piaggio China Co. Ltd and AWS do Brasil, as well as charges that may arise from said.
The provision of contractual risks refers mainly to charges which may arise from the ongoing negotiation of a supply contract.
The provision for tax risks concerns council tax for the Scorzè site.
“Other provisions” include provisions for legal risks for €/000 3,556.

33. Deferred tax liabilities €/000 32,359

Deferred tax liabilities totalled €/000 32,359 compared to €/000 32,735 as of 31 December 2011.

34. Retirement funds and employee benefits €/000 46,813

In thousands of Euro	*As of 31 March 2012*	*As of 31 December 2011*	*Change*
Retirement funds	1,201	1,191	10
Post-employment benefits	45,612	45,412	200
Total	**46,813**	**46,603**	**210**

Retirement funds comprise provisions for employees allocated by foreign companies and additional customer indemnity provisions, which represent the compensation due to agents in the case of the agency contract being terminated for reasons beyond their control.

35. Current and non-current tax payables €/000 20,899

Current tax payables totalled €/000 18,968, against €/000 20,920 as of 31 December 2011. Non-current tax payables amount to €/000 1,931 compared to €/000 2,539 as of 31 December 2011 and mainly refer to the claim by the Inland Revenue Office concerning taxes withheld on the debenture loan issued by Piaggio Finance and repaid in 2009.
Their breakdown was as follows:

In thousands of Euro	*As of 31 March 2012*	*As of 31 December 2011*	*Change*
Due for income taxes	1,815	5,763	(3,948)
Due for non-income tax	75	-	75
Tax payables for:			
- VAT	9,407	5,217	4,190
- withheld tax at source	3,058	5,496	(2,438)
- other	6,544	6,983	(439)
Total	19,009	17,696	1,313
Total	**20,899**	**23,459**	**(2,560)**

The item includes tax payables recorded in the financial statements of individual consolidated companies, set aside in relation to tax charges for the individual companies on the basis of applicable national laws.
Payables for tax withholdings made refer mainly to withholdings on employees' earnings, on employment termination payments and on self-employed earnings.

36. Current and non-current other payables **€/000 76,031**

In thousands of Euro	*As of 31 March 2012*	*As of 31 December 2011*	*Change*
Non-current portion:			
Payables to employees	28	25	3
Guarantee deposits	401	332	69
Deferred income	2,089	2,344	(255)
Amounts due to social security institutions			0
Fair Value of hedging derivatives	2,511	2,847	(336)
Other payables	400	400	0
Total non-current portion	**5,429**	**5,948**	**(519)**

In thousands of Euro	*As of 31 March 2012*	*As of 31 December 2011*	*Change*
Current portion:			
Payables to employees	34,944	25,772	9,172
Guarantee deposits	1,464	1,492	(28)
Deferred liabilities	17,840	15,424	2,416
Deferred income	1,842	1,315	527
Amounts due to social security institutions	5,883	9,719	(3,836)
Fair Value of hedging derivatives	1,038	961	77
Sundry payables due to affiliated companies	32	32	0
Sundry payables due to parent companies	61	43	18
Other payables	7,498	9,960	(2,462)
Total	**70,602**	**64,718**	**5,884**

Amounts due to employees include the amount for holidays accrued but not taken of €/000 13,870 and other payments to be made for €/000 7,829.
Payables due to affiliated companies refer to various amounts due to the Fondazione Piaggio (Foundation).

Payables to parent companies consist of payables to Immsi and Omnia Holding.

The item Fair value of hedging derivatives refers to the fair value (€/000 2,511 non-current portion and €/000 837 current portion) of an interest rate swap for hedging, recognised on a cash flow hedge basis as provided for in IAS 39 and the fair value of derivatives to hedge the foreign exchange risk of forecast transactions recognised on a cash flow hedge basis (€/000 201 current portion).

* * *

Mantova 8 May 2012

for the Board of Directors
Chairman and Chief Executive Officer
Roberto Colaninno

E) TRANSACTIONS WITH RELATED PARTIES

The main business and financial relations of Group companies with related parties have already been described in the specific paragraph in the Report on Operations to which reference is made here. To supplement this information, the following table provides an indication by company of outstanding items as of 31 March 2012, as well as their contribution to the respective headings.

In thousands of Euro	Fondazione Piaggio	Piaggio China	AWS do Brasil	Zongshen Piaggio Foshan	Rodriquez Cantieri Navali	IMMSI Audit	Studio D'Urso	Omniaholding	IMMSI	**Total**	**% of accounting item**
Income statement											
revenue from sales				248						**248**	**0.07%**
costs for materials				6,737					-	**6,737**	**3.34%**
costs for services and lease and rental costs		-		7		210	117	25	744	**1,103**	**1.68%**
other operating income	-			-	-	30			13	**43**	**0.18%**
borrowing costs				7				51		**58**	**0.61%**
Assets											
other non-current receivables	267		138							**405**	**2.35%**
current trade receivables	5			1,794	-	27			-	**1,826**	**1.46%**
other current receivables	27			137		44			6,288	**6,496**	**23.23%**
Liabilities											
financial liabilities falling due after one year								2,900		**2,900**	**0.70%**
current trade payables	-	6		14,534		-	142	9	375	**15,066**	**3.83%**
other current payables	32			-		-		18	43	**93**	**0.13%**

F) SUBSEQUENT EVENTS

To date, no events have occurred after 31 March 2012 that make additional notes or adjustments to these Financial Statements necessary.

In this regard, reference is made to the Report on Operations for significant events after 31 March 2012.

In accordance with paragraph 2 of article 154-bis of the Consolidated Law on Finance, the Manager in Charge of Financial Reporting, Alessandra Simonotto, states that the accounting information contained in this document reflects the books and the accounting entries.

* * *

Mantova 8 May 2012

for the Board of Directors
Chairman and Chief Executive Officer
Roberto Colaninno

Management and coordination
IMMSI S.p.A.
Share capital 205,941,272.16 EUR fully paid up
Registered office: Viale R. Piaggio 25, Pontedera (Pisa)
Pisa Register of Companies and Tax Code 04773200011
Pisa Economic and Administrative Index no. 134077

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