PRESS RELEASE

PIAGGIO GROUP: FIRST QUARTER 2016

Consolidated net sales 307.1 million euro (302 €/mln in Q1 2015)

Ebitda 37.4 million euro (36.3 €/mln in Q1 2015)
Ebitda margin 12.2% (12% in Q1 2015)
best first-quarter performance since 2008

Industrial gross margin 90.8 million euro (88.1 €/mln in Q1 2015)

Ebit 10.9 million euro (10.8 €/mln in Q1 2015)

Net profit 1.3 million euro (1.2 €/mln in Q1 2015)

Net financial position -554.4 million euro (-568.4 €/mln at 31 March 2015)

Worldwide shipments of 121,700 vehicles in the first quarter (121,000 in Q1 2015)

Mantua, 2 May 2016 – At a meeting today chaired by Roberto Colaninno, the Board of Directors of Piaggio & C. S.p.A. examined and approved the interim report on operations for the quarter to 31 March 2016.

Piaggio Group performance was positive in the first quarter of 2016, with a general improvement in all the main indicators compared with the first quarter of 2015.

Piaggio Group business and financial performance at 31 March 2016[1]

Group **consolidated net sales** in the first quarter of 2016 totalled **307.1 million euro**, **an improvement of 1.7%** from 302 million euro at 31 March 2015.

Revenues rose on all Group lines of business. Turnover in the **two-wheeler sector** was **208.2 million euro**, an increase of 2% from 204.1 million euro in the first quarter of 2015 (the figure includes spares and accessories). Revenues for **commercial vehicles**, including spares and accessories, were **98.9 million euro**, an increase of 1% from 97.9 million euro in the first quarter of 2015.

The 2016 Q1 **industrial gross margin** was **90.8 million euro**, up by 3.1% from 88.1 million euro in the year-earlier period. The return on net sales was 29.6%, up from 29.2% in the first quarter of 2015. Amortisation and depreciation included in the industrial gross margin totalled 9 million euro, compared with 9.9 million euro at 31 March 2015.

Operating expense in the first quarter of 2016 was **80.0 million euro** (77.3 million euro in the year-earlier period). The increase stemmed largely from the rise in amortisation and depreciation included in operating expense (17.5 million euro in Q1 2016, compared with 15.6 million euro in the year-earlier period).

[1] The main alternative performance indicators used by the Piaggio Group, representing the data monitored by management, are as follows:

- EBITDA: earnings (EBIT) before amortisation and depreciation and impairment losses on property, plant and equipment and intangible assets, as reflected in the consolidated income statement;
- Industrial gross margin: net sales less costs to sell;
- Net financial position: gross financial debt less cash and cash equivalents, and other current financial receivables. Determination of the net financial position does not include other financial assets and liabilities arising from measurement at fair value, derivatives designated or not as hedges, fair value adjustments of the related hedged items and related accruals.

The changes in the income statement described above generated **consolidated EBITDA of 37.4 million euro**, **an increase of 2.9%** from 36.3 million euro in the first quarter of 2015, with an **EBITDA margin** of 12.2% (up from 12% at 31 March 2015). This was the Piaggio Group's **best first-quarter performance since 2008**.

EBIT in the first quarter of 2016 amounted to **10.9 million euro,** a slight increase from 10.8 million euro in the first quarter of 2015. The **EBITDA margin** was 3.5% (3.6% in the first quarter of 2015).

At 31 March 2016, the Piaggio Group posted **profit before tax** of **2.1 million euro**, compared with 2 million euro in the year-earlier period. Income tax for the period was 0.8 million euro, with an impact on pre-tax profit of 40%.

The first quarter of 2016 closed with **net profit of 1.3 million euro, an increase of 7.2%** compared with 1.2 million euro in the first quarter to 31 March 2015.

Net financial debt at 31 March 2016 was **554.4 million euro**, an increase of 56.2 million euro from the end of 2015 (498.1 million euro) reflecting the typical seasonal nature of the two-wheeler business, which absorbs financial resources in the first part of the year and generates resources in the second part.

Net financial debt at 31 March 2016 was down **14 million euro** from 31 March 2015 (568.4 million euro) due to a **reduction of 19.4 million euro in cash absorption in the first quarter.**

Group **shareholders' equity** at 31 March 2016 was **396.6 million euro** (404.3 million euro at 31 December 2015).

Piaggio Group **capital expenditure** in the first quarter of 2016 amounted to **26.2 million euro** (+23.1% from 21.3 million euro in the year-earlier period), of which **12.8 million euro for R&D expenditure** (14.3 million euro in Q1 2015) and approximately 13.4 million euro for property, plant and equipment, investment property and intangible assets (approximately 7 million euro in Q1 2015).

Among investments in Group industrial assets, a particularly important project is the **new automated paint shop** at the **Piaggio industrial facility in Pontedera** (Pisa). Previous investments at Pontedera included, in 2014, the insourcing of high-precision aluminium machining operations, with the opening of a dedicated shop, and in 2013 the opening of the new Piaggio Group Worldwide Spares Centre.

The total workforce of the Piaggio Group at 31 March 2016 numbered **7,074 employees.** The Group’s Italian employees numbered 3,620, substantially unchanged from the previous year.

Business performance in the first quarter of 2016

In the first quarter of 2016, the **Piaggio Group sold 121,700 vehicles worldwide** (a slight increase from 121,000 in the first quarter of 2015).

In the first quarter to 31 March 2016, the Group sold **74,800 two-wheelers** worldwide (74,200 in the year-earlier period), generating **net sales of 208.2 million euro, an improvement of 2%** from 204.1 million euro in the first quarter of 2015. The figure includes spares and accessories.

The Piaggio Group strengthened its positioning on the **European two-wheeler market**, closing the first quarter of 2016 with an **overall market share of 13.6%** (13.1% in the first quarter of 2015) and a **24.5% market share in scooters** (approximately **11** percentage points ahead of the second European competitor). The Group also maintained a particularly strong positioning on the **North American scooter market,** with a **share of 19.6%.**

In the **scooter sector**, the Piaggio Group reported excellent results in the **high-wheel** segment thanks to the **new Piaggio Liberty scooter** and the strong performance of the **Beverly** best seller, which generated an **improvement of 32.8%** in global **revenues** from the first quarter of 2015. In the high-wheel scooter segment, beginning in the second quarter of 2016, the Group will also have the support of the **new Piaggio Medley ABS** launched recently in 125 and 150cc displacements. The **Vespa brand** strengthened its presence on the **European market**, with **revenues up by 7.1%.**

Group revenues also improved in **motorcycles, with an overall increase of 9.7%.** This result was assisted by **higher sales** for the **Moto Guzzi California** line **(+5.3%)**, while sales for the **Aprilia** motorcycle brand were driven by the **supersports models with V4 engines**, where **shipments rose sharply**, with **62.5%** growth in sales volumes for the **RSV4 1000 range** and **104.4%** growth in sales volumes for the **Tuono** models**.**

In the **commercial vehicles** sector, the Group sold **47,000 vehicles** (46,800 in the first quarter of 2015) for **net sales of 98.9 million euro** (97.9 million euro in the first quarter of 2015). The figure includes **spares and accessories**, where **sales totalled 11.6 million euro** (+24.4% from 9.3 million euro in the first quarter of 2015). On the Indian market for **three-wheel commercial vehicles**, the PVPL subsidiary had an **overall share of 28.1%** and confirmed its **leadership in the Cargo segment** with a market share of **51.6%.**

In the first quarter of 2016 the **PVPL production hub** also exported 4,512 **three-wheel commercial vehicles** worldwide. These sales arose in part in the EMEA and Americas area and in part in the India area, in connection with responsibility for management of the individual markets.

Significant events in the first quarter of 2016

On 14 January 2016 the new Piaggio Liberty high-wheel scooter was launched. Originally presented in 1997, the Liberty has been an extraordinary market success with more than 900,000 scooters shipped since its introduction. The new Piaggio Liberty also features the new Piaggio iGet engines, in the 50, 125 and 150cc air-cooled versions, the state of the art in the respective displacement categories.

On 2 March 2016, the new Aprilia RS-GP 2016 was presented in Losail, in preparation for the 2016 Grand Prix motorcycle racing season. The new motorbike is a key development in Aprilia's racing track record, with 54 world titles won in just over 20 years: this is the first MotoGP bike on which Aprilia has designed, developed and built every component, beginning with the engine, a unit featuring the exclusive narrow V4 architecture implemented on the entire supersports line from the Noale-based factory.

On 14 March, the new Moto Guzzi V9 motorcycle was launched in Mandello del Lario, a medium-sized lightweight custom bike that continues Moto Guzzi's more than 40-year custom tradition. Powered by a new 850cc 90° V-twin engine with the traditional drive shaft, the Moto Guzzi V9 is available in the Roamer and Bobber versions.

Significant events after 31 March 2016

On 18 April, the Piaggio Medley scooter made its European market debut, following its launch on the Vietnamese market on 17 March with a press conference in Hanoi. The Piaggio Medley combines the benefits of an agile, lightweight two-wheeler with all the advantages of a high-wheel vehicle, offering superior technological features, performance, size and weight, like the Beverly best seller. Equipped with the top-of-the-range engine from the new Piaggio iGet family, a liquid-cooled four-valve version, the Medley is available in 125 and 150cc displacements, with the "Start & Stop" system.

* * *

Outlook

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

- confirming the leadership position on the European two-wheeler market, taking full advantage of the expected recovery through:
  - a further strengthening of the product range, to grow sales and margins in the high-wheel scooter sector with the new Liberty and Medley and in the motorcycle sector, with the renewed Moto Guzzi and Aprilia ranges;
  - entry on to the e-bike market, with the new Piaggio Wi-Bike, leveraging the group's leadership in technology and design;
  - maintenance of current positions on the European commercial vehicle market;
- consolidation in the Asia Pacific region by exploring new opportunities in mid-range motorcycles and replicating the premium strategy in Vietnam throughout the region, with a special focus on the Chinese market;
- strengthening sales on the Indian scooter market by extending the offer of Vespa products and introducing new models in the premium scooter and motorcycle segments for the other Group brands;
- growing commercial vehicle sales in India and the emerging countries, aiming for further growth in exports to Africa and South America.

* * *

Share buyback program

Subsequent to the Piaggio shareholder resolution of 14 April 2016 authorising the purchase and disposal of own shares, the Board of Directors carried a resolution to commence a share buyback program in connection with the "market practices" allowed by Consob pursuant to art. 180, paragraph 1, head c) of the Consolidated Finance Act (TUF) with resolution no. 16839 of 19 March 2009 and Regulation CE no. 2273/2003 of 22 December 2003, taking into account that as from 3 July 2016, the new community regulations governing own-share buyback programs will come into effect as envisaged by Regulation EU no. 596/2014 of 16 April 2014 relating to market abuse and by the "technical regulations" of the European Securities and Markets Authority (ESMA). Consequently, as from 3 July 2016, the regulatory references indicated above at Regulation CE no. 2273/2003 of 22 December 2003 are to be replaced by the dispositions of Regulation EU no. 596/2014 of 16 April 2014 relating to market abuse and by the "technical regulations" of the ESMA, and also by the current applicable *pro tempore* dispositions.

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

Purchase transactions under the program will be performed in the manner and in compliance with the limits set out in the aforementioned shareholder resolution, specifically:
- the purchase may be for a maximum of 15,000,000 Piaggio no-par ordinary shares and, therefore, within the legal limits (20% of the share capital pursuant to art. 2357, paragraph 3, Italian Civil Code, taking into account that as of today the company holds 1,971,000 own shares);
- share buybacks shall take place within the limits of distributable earnings and available reserves as reflected in the most recent financial statements (including interim financial statements) approved at the time of implementation of the transaction;
- share buybacks shall be executed in compliance with the operating conditions established by Consob pursuant to art. 180, paragraph 1, head c), of the TUF with resolution no. 16839 of 19 March 2009 and by Regulation CE no. 2273/2003 of 22 December 2003, where applicable, also taking into consideration that as from 3 July 2016, the new community regulations governing own-share buyback programs will come into effect as envisaged by Regulation EU

no. 596/2014 of 16 April 2014 relating to market abuse and by the "technical regulations" of the ESMA. Specifically, share buybacks shall be for a consideration that shall not be higher than the greater of the price of the most recent independent transaction and the price of the highest independent offer on the trading markets where the buyback is made, without prejudice to the condition that the per-share consideration shall not in any case be more than 20% below or 10% above the mean official Piaggio share price in the ten trading days before each single purchase transaction;

- buybacks shall be conducted in compliance with art. 144-bis, paragraph 1, head b) of Consob Regulation 11971/1999 (and subsequent amendments) and with applicable regulations, in order to ensure equality of treatment of shareholders as envisaged by art. 132 of the TUF, and therefore on regulated markets, in accordance with the operating procedures laid down by the regulations for the organisation and management of the markets in question, which do not allow purchase offers to be directly matched with predetermined offers for sale;
- the buyback program may be implemented, in one or more tranches, through 14 October 2017.

Consistently with the shareholder resolution, should the purposes illustrated above not be achieved, the own shares purchased by the company may subsequently be alienated or annulled, in accordance with the the terms authorised by the relevant company bodies. As of today, the company holds 1,971,000 own shares.

* * *

Conference call with analysts

The presentation of the financial results as at and for the quarter ended 31 March 2016, which will be illustrated during a conference call with financial analysts, is available on the corporate website at *www.piaggiogroup.com/it/investor* and on the "eMarket Storage" authorised storage mechanism on the website *www.emarketstorage.com*.

* * *

Further to the issue of the new Transparency Directive, enacted at national level with Law no. 25 of 15 February 2016, which abrogates the obligation to publish interim reports on operations, Piaggio & C. S.p.A. announced that, pending the issue of specific regulations by the supervisory authorities, it reserves the right to take decisions concerning future publication of financial information not required by law.

* * *

The Piaggio Group consolidated income statement, consolidated statement of financial position and consolidated statement of cash flows as at and for the quarter ended 31 March 2016 are set out below.

The manager in charge of preparing the company accounts and documents, Alessandra Simonotto, certifies, pursuant to paragraph 2 of art. 154 bis of Legislative Decree no. 58/1998 (TUF), that the accounting disclosures in this statement correspond to the accounting documents, ledgers and entries.

* * *

In line with the recommendations of CESR Communication 05-178b, attention is drawn to the fact that this press release contains a number of indicators that, though not yet contemplated by the IFRS ("Non-GAAP Measures"), are based on financial measures envisaged by the IFRS. These indicators – presented in order to assist assessment of the Group's business performance – should not be considered as alternatives to those envisaged by the IFRS and are consistent with those in the Piaggio Group 2015 Annual Report and quarterly and half-year reports. Furthermore, since determination of such indicators is not specifically regulated by the IFRS, the methods used may not coincide with those adopted by other companies/groups, and consequently the indicators in question may not be comparable. In compliance with Consob Communication no. 9081707 of 16 September 2009, it should be noted that the alternative performance indicators (“Non-GAAP Measures”) have not been audited by the independent auditors.

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

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

SCHEDULES

Consolidated Income Statement

	Q1 2016		Q1 2015	
	Total	*of which related parties*	Total	*of which related parties*
In thousands of euro				
Net Sales	**307,061**	**336**	**302,004**	**102**
Cost of materials	179,719	7,450	175,988	7,833
Cost of services and use of third-party assets	55,690	940	55,246	997
Employee expense	53,339		55,331	
Depreciation and impairment property, plant and equipment	11,301		11,608	
Amortisation and impairment intangible assets	15,211		13,884	
Other operating income	23,015	191	25,153	32
Other operating expense	3,942	5	4,272	3
EBIT	**10,874**		**10,828**	
Results of associates	7			
Finance income	406		145	
Finance costs	9,038	34	9,402	54
Net exchange-rate gains/(losses)	(156)		380	
Profit before tax	**2,093**		**1,951**	
Income tax expense	837		780	
Profit from continuing operations	**1,256**		**1,171**	
Discontinued operations:				
Profit or loss from discontinued operations				
Profit for the period	**1,256**		**1,171**	
Attributable to:				
Equity holders of the parent	**1,256**		**1,189**	
Minority interests	**0**		**(18)**	
Earnings per share (in €)	**0.003**		**0.003**	
Diluted earnings per share (in €)	**0.003**		**0.003**	

Consolidated Statement of Comprehensive Income

	Q1 2016	Q1 2015
In thousands of euro		
Profit for the period (A)	**1,256**	**1,171**
Items that cannot be reclassified to profit or loss		
Re-measurement of defined benefit plans	(2,110)	(1,313)
Total	**(2,110)**	**(1,313)**
Items that may be reclassified to profit or loss		
Gains (losses) on translation of financial statements of foreign entities	(2,897)	8,016
Total gains (losses) on cash flow hedges	(277)	2,415
Total	**(3,174)**	**10,431**
Other comprehensive income (expense) (B)*	**(5,284)**	**9,118**
Total comprehensive income (expense) for the period (A + B)	**(4,028)**	**10,289**

* Other comprehensive income (expense) takes related tax effects into account

Attributable to:		
Equity holders of the parent	**(4,016)**	**10,279**
Minority interests	**(12)**	**10**

Consolidated Statement of Financial Position

In thousands of euro	At 31 March 2016 Total	At 31 March 2016 *of which related parties*	At 31 December 2015 Total	At 31 December 2015 *of which related parties*
ASSETS				
Non-current assets				
Intangible assets	671,493		673,986	
Property, plant and equipment	304,064		307,608	
Investment property	11,961		11,961	
Equity investments	9,529		9,529	
Other financial assets	21,062		24,697	
Non-current tax receivables	5,534		5,477	
Deferred tax assets	56,587		56,434	
Trade receivables				
Other receivables	13,123	153	13,419	153
Total non-current assets	**1,093,353**		**1,103,111**	
Assets held for sale				
Current assets				
Trade receivables	109,220	1,017	80,944	1,150
Other receivables	29,602	8,956	29,538	8,879
Current tax receivables	33,021		21,541	
Inventories	258,495		212,812	
Other financial assets	2,073		2,176	
Cash and cash equivalents	98,500		101,428	
Total current assets	**530,911**		**448,439**	
TOTAL ASSETS	**1,624,264**		**1,551,550**	

	At 31 March 2016		At 31 December 2015	
	Total	*of which related parties*	Total	*of which related parties*
In thousands of euro				
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
Share capital and reserves attributable to equity holders of the parent	396,848		404,535	
Share capital and reserves attributable to minority interests	(254)		(242)	
Total shareholders' equity	**396,594**		**404,293**	
Non-current liabilities				
Borrowings due after one year	541,711	2,900	520,391	2,900
Trade payables				
Other non-current provisions	10,252		9,584	
Deferred tax liabilities	4,120		4,369	
Pension funds and employee benefits	51,928		49,478	
Non-current tax payables				
Other non-current payables	4,507		4,624	
Total non-current liabilities	**612,518**		**588,446**	
Current liabilities				
Borrowings due within one year	133,958		105,895	
Trade payables	414,005	11,379	380,363	10,108
Non-current tax payables	6,162		14,724	
Other current liabilities	51,929	8,636	48,050	8,666
Current portion of other non-current provisions	9,098		9,779	
Total current liabilities	**615,152**		**558,811**	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**1,624,264**		**1,551,550**	

Consolidated Statement of Cash Flows

	Q1 2016		Q1 2015	
	Total	of which related parties	Total	of which related parties
In thousands of euro				
Operating assets				
Consolidated net profit (loss)	1,256		1,189	
Earnings attributable to minority interests			(18)	
Tax for the period	837		780	
Depreciation property, plant and equipment	11,301		11,608	
Amortisation intangible assets	15,211		13,884	
Allowances for risks, retirement funds and employee benefits	3,924		4,200	
Impairment losses / (Reversals)	241		121	
Losses / (Gains) on sale of property, plant and equipment	(35)		6	
Losses / (Gains) on sale of intangible assets	(17)			
Finance income	(266)		(103)	
Dividend income	(7)			
Finance costs	8,491		9,038	
Income from public grants	(541)		(505)	
Change in working capital:				
(Increase)/Decrease in trade receivables	(28,035)	133	(43,627)	(65)
(Increase)/Decrease in other receivables	232	(77)	(9,211)	(56)
(Increase)/Decrease in inventories	(45,683)		(35,391)	
Increase/(Decrease) in trade payables	33,642	(1,271)	21,000	(910)
Increase/(Decrease) in other payables	3,762	(30)	4,343	121
Increase/(Decrease) in provisions for risks	(1,965)		(2,344)	
Increase/(Decrease) in retirement funds and employee benefits	614		(662)	
Other changes	(19,925)		(13,606)	
Cash generated by operating activities	**(16,963)**		**(39,298)**	
Interest expense paid	(4,909)		(7,868)	
Tax paid	(5,137)		(5,139)	
Cash flow from operating activities (A)	**(27,009)**		**(52,305)**	
Investing activities				
Investment in property, plant and equipment	(12,491)		(5,615)	
Sale price or redemption value of property, plant and equipment	95		12	
Investment in intangible assets	(13,753)		(15,718)	
Sale price or redemption value of intangible assets	17			
Interest collected	155		61	
Cash flow from investing activities (B)	**(25,977)**		**(21,260)**	
Financing activities				
Own share purchases	(3,671)			
Loans received	64,079		74,292	
Outflow for loan repayments	(15,553)		(14,028)	
Repayment of finance leases	(7)		(8)	
Cash flow from financing activities (C)	**44,848**		**60,256**	
Increase / (Decrease) in cash and cash equivalents (A+B+C)	(8,138)		(13,309)	
Opening balance	**101,302**		**90,125**	
Exchange differences	(1,865)		5,931	
Closing balance	**91,299**		**82,747**	