

Explanatory Memorandum

1) Financial Statements of Piaggio & C S.p.A. as of 31 December 2011; Directors' Report on Operations for 2011 and Proposal for the Allocation of Operating profits; Board of Statutory Auditors Report; Independent Auditors' Report; related and consequent resolution; presentation of Consolidated Financial Statements of the Piaggio Group as of 31 December 2011 and relative reports. Related and consequent resolutions.

Dear Shareholders,

The Board of Directors of your Company has convened the ordinary Shareholders' Meeting for your approval of the draft financial statements for Piaggio & C. S.p.A. at 31 December 2011.

The financial statements at 31 December 2011 closed with a profit of Euro 47,028,727.36. We refer to the point in the Report on Operations prepared by the Board of Directors and already available for Shareholders.

Therefore, we propose to allocate the profit as follows:

- Euro 2,351,436.37 as legal reserve;
- Euro 29,892,998.24 as dividends;
- Euro 14,784,292.75 as retained earnings.

The Board of Directors will also report on the consolidated financial statements at 31 December 2011.

Therefore we are submitting the following draft resolution for your approval:

"The Ordinary General Shareholders Meeting of Piaggio & C. S.p.A.,

- having heard and approved the statements of the Board of Directors;
- and in acknowledgement of the Report of the Board of Statutory Auditors, the Report of the Auditing Company and the Consolidated Financial Statements as at 31 December 2011,

resolved

1. to approve the Report of the Board of Directors and the Financial Statements as of 31 December 2011 in their entirety;
2. to approve the following allocation of the profits, totaling Euro 47,028,727.36:
 - Euro 2,351,436.37 as legal reserve;
 - Euro 29,892,998.24 as dividends;
 - Euro 14,784,292.75 as retained earnings.

3. to distribute a dividend before tax of Euro 0.082 to all eligible ordinary shares for a total maximum amount of Euro 29,892,998.24;

4. to establish 14 May 2012 as the coupon no. 6 detachment date and 17 May 2012 as the date from which the dividend is payable".

The documentation required by Article 154-*ter* of the Legislative Decree no. 58/1998 will be made publicly available at least twenty one days prior to the date of the Shareholders' Meeting on first call.

23 febbraio 2012

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