



**Piaggio & C. S.p.A.**

**Explanatory Memorandum**

**Financial Statements of Piaggio & C S.p.A. as of 31 December 2014; Directors' Report on Operations for 2014 and proposal for the allocation of operating profits; Board of Statutory Auditors Report; Independent Auditors' Report; related and consequent resolutions; presentation of Consolidated Financial Statements of the Piaggio Group as of 31 December 2014 and relative reports.**

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 2014.

The financial statements at 31 December 2014 closed with a profit of Euro 14,809,963.48; we refer to the Report on Operations prepared by the Board of Directors and available for Shareholders.

Therefore, we propose to allocate the profit as follows:

- Euro 740,498.17 as legal reserve;
- Euro 14,069,465.31 as dividends;

Furthermore, taking into account the amount of the available reserves in the financial statement of the Company (equal to Euro 89,652,483.53) and – pursuant to the article 2426 no. 5 of the Italian civil code – the amount of the development costs, taking also into account the fact that during the period closed at 31.12.2013 no dividends were distributed to the Shareholders, we are submitting, for your approval, the proposal to distribute a dividend of Euro 0.072 for every qualifying share and therefore (taking into account the 2,466,500 treasury shares in the Company's portfolio) a total of Euro 26,007,003.36, of which:

- Euro 14,069,465.31, from the profit of the period (excluding the amount of Euro 740,498.17 to be allocated as legal reserve);
- additional Euro 11,937,538.05, from the "Retained Earnings" reserve (which will be subsequently reduced from Euro 59,726,345.60 to Euro 47,788,807.55).

The Board of Directors will also report on the consolidated financial statements at 31 December 2014.

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 2014,*

***resolved***

1. *to approve the Report of the Board of Directors and the Financial Statements as of 31 December 2014 in their entirety;*
2. *to approve the following allocation of the profits:*
  - *Euro 740,498.17 as legal reserve;*
  - *Euro 14,069,465.31 as dividend;*
3. *to distribute a dividend of Euro 0,072, before tax, to every ordinary qualifying share and therefore (taking into account the 2,466,500 treasury shares in the Company's portfolio) a total of Euro 26,007,003.36, using for such purpose the profit accrued in the period – excluding the amount to be allocated as legal reserve – and part of the "Retained Earnings" reserve for a total amount of Euro 11,937,538.05 (reserve which will be subsequently*

*This document has been written in Italian and translated in English. For any conflict or discrepancies between the two texts the Italian text shall prevail.*

*reduced from Euro 59,726,345.60 to Euro 47,788,807.55).*

- 3. to establish 20<sup>th</sup> April 2015 as the coupon no. 8 detachment date, 21<sup>st</sup> April 2015 as dividend record date and 22<sup>nd</sup> April 2015 as the date from which the dividend is payable".*

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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.

Mantua, February 27, 2015

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