



Piaggio & C. S.p.A.

Explanatory Memorandum

Proposal to cancel 2,466,500 portfolio treasury shares; resulting changes to article 5.1 of the Articles of Association. Related and consequent resolutions.

Dear Shareholders,

we submit for your approval the proposal to proceed with the cancellation of 2,466,500 treasury shares held in the portfolio of Piaggio & C. S.p.A. (“**Piaggio**” or also the “**Company**”).

In this regard, we recall that, at the date of this Report, the Company holds a total of. 2,466,500 treasury shares, equal to 0.6782% of the share capital, acquired on the basis of the authorisations granted under Article 2357 of the Civil Code and Article 132 of Legislative Decree no. 58/1998 (“**Consolidated Law on Finance**”) by the Shareholders' Meeting, as per latest approval, with the resolution of 28 April 2014 and posted in the financial statements at an average value of 2,3462 euros.

Taking into account, moreover, that Piaggio outstanding shares are without par value, it is proposed to proceed with the cancellation 2,466,500 treasury shares, with no reduction in the value of share capital (currently 207,613,944.37 euros divided into 363,674,880 shares), and reduction of the corresponding negative reserve posted in the financial statements for 5,786,951.88 euros

Given there is no longer any need to maintain a substantial amount of treasury shares, also following the closure of the 2007-2009 Stock Option Plan, which ended in 2014 following the exercise of all options granted and not expired, and also given the authorisation to purchase and sell treasury shares approved by the Shareholders' Meeting on 28 April 2014, which provided for the purchase of treasury shares, also with a view to their subsequent cancellation, it is considered preferable to proceed with cancellation of said treasury shares, thereby increasing the value of each share and maximising their profitability. The cancellation of shares allows, in fact, the portion of the profit allocated to each share (“*earnings per share*”) to be increased.

Following this cancellation, the share capital of Piaggio will not be reduced. The share capital will therefore remain unchanged and equal to 207,613,944.37 euros but the accounting par value of the remaining 361,208,380 outstanding shares will increase from 0.5709 euros to 0.5748 euros

It is pointed out that this proposed resolution does not give rise to the right of withdrawal pursuant to legislation.

The cancellation of 2,466,500 treasury shares will result in the modification of the numerical expression of the number of outstanding shares in article 5.1 of the Articles of Association as indicated below (the remaining provisions of the Articles of Association contained in Article 5 remaining unchanged, which are therefore omitted):

CURRENT TEXT	PROPOSED TEXT
Share capital - Shares Article 5	Share capital - Shares Article 5
5.1 The share capital is equal to 207,613,944.37 (two hundred and seven million, six hundred thirteen thousand, nine hundred forty-four euros and thirty-seven eurocents) divided into 363,674,880 (three hundred and sixty-three million, six hundred seventy-four thousand,	5.1 The share capital is equal to 207,613,944.37 (two hundred and seven million, six hundred thirteen thousand, nine hundred forty-four euros and thirty-seven eurocents) divided into 361,208,380 (three hundred and sixty-one million, two hundred eight thousand, three

eight hundred eighty) ordinary shares with no par value and may be increased also by payments in kind and receivables.	hundred eighty) ordinary shares with no par value and may be increased also by payments in kind and receivables.
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Dear Shareholders,

in view of the above, we invite you to adopt the following resolutions:

“The Extraordinary Shareholders' Meeting of Piaggio & C. S.p.A., having examined and approved the Report of the Board of Directors;

resolves

1) to cancel all 2,466,500 treasury shares with no par value owned by the Company, without changing the current share capital, proceeding with all the necessary accounting obligations;

2.) to therefore acknowledge that the share capital of 207,613,944.37 euros is, with effect from registration of these resolutions at the Register of Companies, divided into 361,208,380 ordinary shares with no par value;

3.) to change, as a result of all that approved above, Article 5.1 of the Articles of Association as follows, thus adopting the text of the Articles of Association attached to these minutes:

5.1 The share capital is equal to 207,613,944.37 (two hundred and seven million, six hundred thirteen thousand, nine hundred forty-four euros and thirty-seven eurocents) divided into 361,208,380 (three hundred and sixty-one million, two hundred eight thousand, three hundred eighty) ordinary shares with no par value and may be increased also by payments in kind and receivables.

4.) to confer a mandate on the legal representatives pro tempore, jointly and severally among the same, to provide, also through attorneys, for that required, necessary or useful for implementation of the above resolutions, as well as to fulfil the formalities necessary to ensure that the resolutions are registered in the Register of Companies, with the right to introduce any insubstantial changes, corrections or additions appropriate or required by the competent Authorities, also at the time of registration and, in general, to provide for everything necessary for complete execution of the resolutions, with all and any powers necessary and appropriate to such end, without any exceptions and exclusions.”

Mantua, 27 February 2015

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