

THE PIAGGIO GROUP: PROFILE

The Piaggio Group is the largest European manufacturer of two-wheel motor vehicles and one of the world leaders in its sector. The Group is also a major international player on the commercial vehicle market. Established in 1884 by Rinaldo Piaggio, since 2003 the Piaggio Group has been controlled by Immsi S.p.A., an industrial holding listed on the Italian stock exchange and headed by Chairman Roberto Colaninno. Immsi's Chief Executive Officer and MD is Michele Colaninno.

Roberto Colaninno is the Chairman and Chief Executive Officer of the Piaggio Group, Matteo Colaninno is Deputy Chairman. Gabriele Galli is Chief Financial Officer. The Piaggio Group has been listed on the Italian stock exchange since 2006.

The Piaggio Group product range includes scooters, motorcycles and mopeds from 50 to 1,200 cc marketed under the Piaggio, Vespa, Gilera, Aprilia, Moto Guzzi, Derbi and Scarabeo brands. The Group also operates in the three- and four-wheel light transport sector with its Ape, Porter and Quargo ranges of commercial vehicles. (Ape Truck). The Piaggio Group brand portfolio contains some of the most distinguished and historic names in the two-wheeler industry, from Gilera (founded in 1909) and Moto Guzzi (founded in 1921) to Aprilia (which in just over twenty years has established itself as the most successful Italian and European vehicle manufacturer in the world motorcycling championships) and Vespa, the extraordinary two-wheeler that has come to be regarded as "the" scooter, which, with more than 17 million vehicles produced since it made its debut in 1946, is an incredibly long-lived market success as well as one of the best known icons of Italian style and technology in the world.

The Piaggio Group is headquartered in Pontedera (Pisa, Italy) and has production plants in: Pontedera (Pisa), which produces Piaggio, Vespa and Gilera branded two-wheelers, light transport vehicles for the European market and engines for scooters and motorcycles; Noale (Venice), a technical centre for the development of motorcycles and the base of Aprilia Racing; Scorzè (Venice), which produces Aprilia and Scarabeo branded two-wheel vehicles; Mandello del Lario (Lecco, Italy), which produces Moto Guzzi vehicles and engines; Baramati (in the Indian state of Maharashtra), which produces three- and four-wheel light transport vehicles for the Indian market, diesel and turbodiesel engines for the Group's commercial vehicles, and, since the beginning of 2012, the Vespa scooter for sale on the Indian market; Vinh Phuc (Vietnam) which produces Vespa and Piaggio scooters for the local market and the ASEAN area. The Piaggio Group also operates in China with a joint venture (Zongshen Piaggio Foshan Motorcycles, based in Foshan in the province of Guangdong) in which it holds a 45% stake and which is therefore not included in the Group's consolidated results.

In fiscal year 2012 the Piaggio Group reported consolidated net sales of 1,406.2 million euro (1,516.5 million euro in 2011), Ebitda of 176.2 million euro (199.8 million euro in 2011), net profit of 42.1 million euro (46.3 million euro in 2011) and net debt of 391.8 million euro (-335.9 million euro at 31.12.2011).

Despite the difficult scenario, on Western markets the performance of the Piaggio Group in 2012 reflected constant consolidation of its European leadership in the two-wheeler business, with another year of growth, especially in its European scooter market share. Performance was particularly significant in the USA, one of the few Western two-wheeler markets to report a rise in demand. In the Asian countries the Group continued to reap the benefits of its globalisation strategy, specifically with double-digit growth in turnover in Asia Pacific, while in India the launch of the Vespa on the local market was completed.

In 2012 the Piaggio Group sold a total of **615,500 vehicles** worldwide, compared with 653,300 in 2011.

The **Vespa brand** continued to show constant growth in worldwide sales – which have more than tripled since 2003 – with **more than 165,000 scooters** sold from January to December 2012, while **Moto Guzzi** – in sharp contrast to the trend on the European motorcycle market – reported growth of 15.3% in bike sales (6,664 vehicles compared with 5,763 in 2011), confirming the success of its development strategy in which the launch of two separate models of the **new Moto Guzzi California 1400**, Touring and Custom, was a key factor.

The slowdown in sales in **Europe**, where the two-wheeler market slackened overall by 13%, was countered to a large extent not only by the strengthening of the Group's European market shares, but above all by the strong growth of the Piaggio Group in **Asia Pacific**, where its shipments and turnover improved by 7.5% and 12.6% respectively, and in **America**, with shipments and turnover rising by 36.4% and 109.2% respectively. Approximately 26,000 Vespa scooters were sold in **India** from May to December 2012.

On the **Vietnamese scooter market**, Piaggio raised its share to 19% for automatic scooters, with growth of 0.8 percentage points from 2011. In the other Asia Pacific markets (where Group shipments increased by 19%), interesting growth levels were reported in Thailand and Australia. On the **US market**, the Piaggio Group consolidated its ranking as one of the top scooter manufacturers with a share of 25.3%, and confirmed its position as outright leader in over 50cc scooters, with a US market share of 39.3%.

In 2012 the Group also consolidated its **leadership in the two-wheeler sector in Europe** with a 19.8% share of the overall market and additional growth to 27.9% in the scooter sector (+0.3 percentage points from 2011).

In the **commercial vehicles business**, the Piaggio Group sold a total of 209,400 vehicles in 2012 (238,300 in 2011) for turnover of 412.9 million euro (491.1 million in 2011). Group sales were affected by the sharp downturn on all core markets, which reported decreases of 32% for Italy and 13.3% for Europe, and a 9.8% reduction in the Cargo segment of the Indian three-wheeler market.

On the **Indian three-wheel commercial vehicle market**, in 2012 **Piaggio Vehicles Private Ltd.** (PVPL) confirmed its market leadership in the Cargo segment with a share of more than 52% and was one of the top players in the business as a whole, with a market share of 34.3%.

In India, towards the end of 2012, PVPL launched the **new three-wheeler** Apé City Passenger equipped with a new 200cc engine developed entirely by Piaggio. In **four-wheel commercial vehicles**, PVPL developed and industrialised **two new models** with automobile-type driver cabs based on the Piaggio Porter and Quargo commercial vehicles, respectively in the segment with a payload of under 0.5 mt (and 510cc diesel engine) and in the segment with a payload between 0.5 and 1 mt, equipped with the **new 1,000cc twin-cylinder diesel engine** designed in-house by the Piaggio Group and industrialised in the Baramati Engine Plant. The two new commercial vehicles will help the Piaggio Group broaden and strengthen its offer in a market segment which, in India, has been showing double-digit growth in the last few years.

In the 2012 World Superbike Championship season, the Piaggio Group triumphed with Aprilia, which won both the manufacturer title, with the four-cylinder Aprilia RSV4, and the rider title with Max Biaggi.