



PRESS RELEASE

PIAGGIO GROUP: FIRST QUARTER 2009

Net sales € 306.3 mln (€ 363.9 mln in Q1 2008)

EBITDA € 21 mln (€ 35.1 mln in Q1 2008)

Net loss of € 4.7 mln (net profit of € 3.2 mln in Q1 2008)

**Market shares improve in Italy and Europe, strong sales growth in America
Signs of a market recovery: eco-incentives expected to bring significant benefits in Italy**

Mantua, 29 April 2009 – At a meeting today in Mantua chaired by Roberto Colaninno, the Board of Directors of Piaggio & C. S.p.A. examined and approved the quarterly report at 31 March 2009.

In the first quarter of 2009 the Piaggio Group sold a total of **120,100 vehicles** worldwide, of which 77,900 in the 2-Wheel business and 42,200 in the Commercial Vehicles business (compared with a total of 150,600 vehicles in the year-earlier period).

First-quarter performance in the **2-Wheel business** encountered particularly difficult market conditions in the Group's main areas. Demand was down from Q1 2008 in Italy (-19.5%), Europe (-23.1%) and the USA (-29.1% overall and -36.7% in the scooter sub-segment). In the **Commercial Vehicles business**, after years of constant growth, the Indian market reported a downturn of 2.8% in the Group's core segments.

Group **consolidated net sales** amounted to € 306.3 million, from € 363.9 million in the year-earlier period.

In addition to the sales slowdown in the 2-Wheel sector, the revenue downturn reflected the reduction in the BMW five-year order (-1.2 million € from Q1 2008) and the revaluation of the euro against the Indian rupee and the pound sterling, which had a negative impact on revenues of approximately € 3.8 million from Q1 2008.

At the same time, however, the first significant signs emerged of an improvement in market conditions, relating in part – as far as the **2-Wheel** business in Italy is concerned – to the significant impact of state incentives for purchases of low-emission vehicles, initially limited to vehicles up to 400cc and subsequently extended to mopeds and to motorcycles up to 60 kW.

In connection with the recovery trends on the two-wheel markets, Piaggio Group products and brands are displaying an impressive competitive capability, with important improvements in market share in the main areas.

On the Italian market, the Piaggio Group reported excellent performance, raising its overall market share to 28.3%, an increase of 2 percentage points compared with Q1 2008; specifically, the Group share of the branded scooter segment increased by more than 4 percentage points.

In Europe, the Group boosted scooter market share for the Piaggio brand (to 12.6% from 12% in Q1 2008, thanks in part to the superlative performance of the Mp3 3-wheel scooter) and the Vespa brand (from 5.9% to 6.5%); in mid-range motorcycles (591-750cc), in the first quarter of 2009 it raised its European market shares for Aprilia (from 1.7% to 2.6%) and Moto Guzzi (from 0.4% to 0.8%). Particularly important results were reported in North America, where Group sales increased to 6,400 vehicles from 4,200 in Q1 2008, an improvement of 50.5% in sales volumes and 53% in net sales.

INCOME STATEMENT

In thousands of euro	Note	Q1 2009	Q1 2008	Change
Net sales	4	306,344	363,910	(57,566)
<i>of which vs related parties</i>				
Cost of materials	5	182,353	214,050	(31,697)
<i>of which vs related parties</i>	8,763	11,750	(2,987)	
Cost of services and use of third-party assets	6	63,403	73,859	(10,456)
<i>of which vs related parties</i>	456	278	178	
Employee expenses	7	61,059	65,709	(4,650)
Depreciation property, plant and equipment	8	9,437	9,940	(503)
Amortisation intangible assets	8	11,361	12,072	(711)
Other operating income	9	27,055	30,828	(3,773)
<i>of which vs related parties</i>	559	529	30	
Other operating expense	10	5,572	5,988	(416)
<i>of which vs related parties</i>		3	(3)	
EBIT		214	13,120	(12,906)
Share of result of associates		(6)	4	(10)
Finance income	11	900	7,632	(6,732)
Finance expense	11	(9,339)	(15,645)	6,306
Profit before tax		(8,231)	5,111	(13,342)
Income tax	12	(3,544)	1,942	(5,486)
Result from on-going operations		(4,687)	3,169	(7,856)
Discontinued operations:				
Profit or loss from discontinued operations	13			0
Consolidated net profit		(4,687)	3,169	(7,856)
Attributable to:				
Equity holders of the parent		(4,582)	3,116	(7,698)
Minority interests		(105)	53	(158)
Earnings per share (in €)	14	(0.012)	0.008	(0.020)
Diluted earnings per share (in €)	14	(0.012)	0.007	(0.019)



BALANCE SHEET

In thousands of euro	Note	At 31 March 2009	At 31 December 2008	Change
ASSETS				
Non-current assets				
Intangible assets	15	649,848	648,234	1,614
Property, plant and equipment	16	248,682	250,354	(1,672)
Investment property	17			0
Equity investments	18	239	239	0
Other financial assets	19	333	359	(26)
Non-current tax receivables	20	9,834	8,166	1,668
Deferred tax assets	21	44,748	36,227	8,521
Trade receivables	22	0	0	0
Other receivables	23	12,310	12,587	(277)
<i>of which vs related parties</i>	<i>497</i>	<i>799</i>	<i>(302)</i>	
Total non-current assets		965,994	956,166	9,828
Assets held for sale	27			0
Current assets				
Trade receivables	22	151,009	90,278	60,731
<i>of which vs related parties</i>	<i>818</i>	<i>460</i>	<i>358</i>	
Other receivables	23	21,051	21,380	(329)
<i>of which vs related parties</i>	<i>1,915</i>	<i>1,961</i>	<i>(46)</i>	
Current tax receivables	20	20,917	27,772	(6,855)
Inventories	24	286,519	257,961	28,558
Other financial assets	25	19,059	5,787	13,272
<i>of which vs related parties</i>	<i>45</i>	<i>45</i>	<i>0</i>	
Cash and cash equivalents	26	70,845	39,985	30,860
Total current assets		569,400	443,163	126,237
TOTAL ASSETS		1,535,394	1,399,329	136,065



In thousands of euro	Note	At 31 March 2009	At 31 December 2008	Change
LIABILITIES AND SHAREHOLDERS' EQUITY				
Shareholders' equity				
Share capital and reserve attributable to equity holders of parent	28	394,829	396,767	(1,938)
Share capital and reserve attributable to minority interests	28	1,277	1,454	(177)
Total shareholders' equity		396,106	398,221	(2,115)
Non-current liabilities				
Borrowings due after one year	29	388,596	264,789	123,807
Trade payables	30			0
Pension funds and employee benefits	33	64,447	64,160	287
Other non-current provisions	31	21,814	21,678	136
Non-current tax payables	34	235	166	69
Other long-term payables	35	5,969	5,965	4
Deferred tax liabilities	32	31,159	31,795	(636)
Total non-current liabilities		512,220	388,553	123,667
Current liabilities				
Borrowings due within one year	29	147,965	140,691	7,274
Trade payables	30	355,887	362,224	(6,337)
<i>of which vs related parties</i>		14,311	8,712	5,599
Tax liabilities	34	21,639	19,065	2,574
Other current liabilities	35	82,199	70,677	11,522
<i>of which vs related parties</i>		588	600	(12)
Current portion of other non-current provisions	31	19,378	19,898	(520)
Total current liabilities		627,068	612,555	14,513
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1,535,394	1,399,329	136,065



Glossary

Industrial gross margin: “Net sales” minus “Cost of sales” for the period. “Cost of sales” comprises: Cost of materials (direct and consumables), Additional purchase costs (transport incoming materials, customs, handling, warehousing), Staff costs for direct and indirect manpower and related expenses, Third-party machinings, Energy, Depreciation of property, plant and equipment and industrial equipment, External maintenance and cleaning costs net of recovery of costs recharged to suppliers.

EBITDA: “Operating profit” gross of amortisation of intangible assets and depreciation of property, plant and equipment as reflected on the face of the income statement

Operating expense: staff costs, cost of services and use of third-party assets, and operating costs net of operating income not included in the industrial gross margin. Operating expense also includes amortisation and depreciation not included in industrial gross margin.

Working capital net sum of: Current and non-current trade and other receivables, Inventories, Trade and other non-current payables and Current trade payables, Other receivables (Current and non-current tax receivables, Deferred tax assets) and Other Liabilities (Tax liabilities and Other current liabilities)

Property, plant and equipment, net: Property, plant and equipment and industrial equipment, net of accumulated depreciation, plus assets held for sale,

Intangible assets, net: capitalised development costs, costs for patents and knowhow, goodwill arising from Group internal mergers/acquisitions

Non-current financial assets: Equity investments, Other non-current financial assets and any portion of Guarantee deposits reflected in Other current financial assets

Provisions: Pension funds and employee benefits, Other non-current provisions, Current portion of other non-current provisions, Deferred tax liabilities.

Net financial position: Medium/long-term financial liabilities, Short-term financial liabilities less Short-term financial assets and less cash and cash equivalents.